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SOCIAL JUSTICE

Father Coughlin's Weekly Review

Produce For Use At a Fair Profit

Volume IV. No. 4. Royal Oak, Michigan September 13, 1937

WAR CRISIS IN FAR EAST IS COMMERCIAL RIVALRY

Cry of Inflation, Bankers' Trick To Collect Interest on Idle Gold

Banks Alert To Sidetrack Money Facts

Skilful Newspaper Propaganda Used to Lull Public Mind Off Of "Dangerous" Truth

By Robert H. Hemphill

ALMOST everything you read about money and banking in the big newspapers is propaganda. It may be a half-truth which is twisted in application so that it is as bad as an outright lie, or it may be just plain unadulterated falsehood, but whatever it is, **the fundamental purpose is to mislead and confuse the public, and to conceal the banker's greed and the unfair advantage he has over his fellow men,** because he can coin his own money with no equipment but a fountain pen, and everyone else has to earn every dollar.

Banks Maintain Propaganda Mill!

Where does all this propaganda come from? It comes out of the publicity bureau of the American Bankers' Association. This compact, shrewd and skilful bureau watches every move, every tendency in Congress, or in the country. The instant they detect any trend which might expose the real facts about their amazing racket, or directly or indirectly affect their present or future chance for chiseling an unearned profit out of American labor and industry, they bombard the nation with skilful propaganda through the newspapers.

Some time back, I think it was 1935, I had accidental access to a confidential report of these undercover activities. It

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Will This Be Our Next Argonne?

Japanese interference with American ships carrying war supplies to China was threatening to create a tense international situation when this edition of SOCIAL JUSTICE went to press. In no major event of the world's news in recent years does the actual story behind the published news so overshadow the printed dispatches as in the Far East. Picture of the Bund in Shanghai by Ewing Galloway.

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China Scene Of Japanese Fight on Reds

But Behind the News Of Japan's "Aggression" Are Rival International Investments

By the Foreign Editor Of SOCIAL JUSTICE

In all the newspaper dispatches describing the present "war" between Japan and China, one looks in vain for any mention of "commercial supremacy." Yet commercial supremacy is behind the present outbreak in the Far East, as it has been behind every war of the last century.

Japan has had a virtual corner on the textile industry. British money through the Bank of England sponsored and developed this textile business in Japan. Now, it is the law of economics that capital — money — will flow to that place where the lowest labor costs prevail, because the lower the labor cost, the greater the profit.

British machinery and British technicians were sent to Japan to develop the market while unemployment increased in Leeds, and Manchester and British textile cities. Loans were freely made to Japan through the Hong Kong and Shanghai Bank—a subsidiary, practically, of the Bank of England. All the time the merchants and manufacturers dependent on the Chinese markets were being steadily driven to ruin.

"Internationalists" Finance China

In the meantime, a group of international bankers, backed up by the five great "D" banks of Germany, decided to exploit China and poured their money — or rather American money — into that country. Witness the $100-million dollar loan Dr. M. H. Kung, the Financial Minister of China, recently raised so easily after a conference with Mr. Mor-

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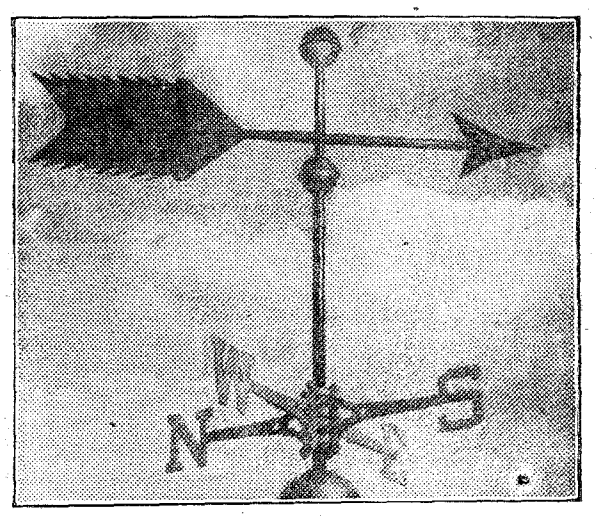

THE INDICATOR

IN HIS encyclical letter, "Quadragesimo Anno," Pope Pius XI emphasizes the importance of labor unions in the establishing of social justice.

One of the most important phases of the Pope's teaching regarding labor unions, and the one most frequently overlooked, is his insistence that self-help is the only kind of help which can effectively uplift the great mass of the people—the aim of true social justice.

* * *

Implicit in the entire letter of Pope Pius, then, is the condemnation of the type of paternalism in government represented by the New Deal's central policy of "made work" and doleism.

* * *

Quoting the encyclical "Rerum Novarum" of Pope Leo XIII, the present pontiff emphasized the basic self-help principle of labor unionism.

"These workingmen's associations should be organized and governed so as to furnish the best and most suitable means for attempting **what is aimed at, that is to say, for helping each member to better his condition to the utmost in body, soul and property.**"

* * *

The fundamental objection to the New Deal's solution of the employment problem is that government spending not only does not perpetuate itself, it actually destroys a nation's reserves, with the result that the nation is less able to meet future emergencies.

This weakening of the recuperative powers of a people is the surest avenue to that "economic nationalism or even economic imperialism" which the pope explicitly condemns.

* * *

* * *

PIUS XI goes even farther than Leo in making clear the point that workingmen should help themselves and not fall into the tempting snare of state help. He says:

> "The intermingling and scandalous confusing of the duties and offices of civil authority and of economics has produced crying evils which have gone so far as to degrade the majesty of the state.
>
> "The state which should be the supreme arbiter, ruling in kingly fashion far above all party contention, intent only upon justice and the common good, has become instead a slave, bound over to the service of human passion and greed."

* * *

In other words, the economic sphere is one and the governmental sphere is one. Their functions cannot be joined without degrading sovereign government and actually accentuating the ravages of passion, greed and above all that "unbridled ambition for domination," which, according to Pius XI, "has succeeded the desire for gain."

* * *

The state should not favor industry or labor—the du Ponts, or the C. I. O. If it shows favoritism, it renounces its character as "supreme arbiter—far above all party contention" and thus, **by failing of its duty**, thwarts the efforts of all citizens to attain social justice.

* * *

ONLY those who read and re-read, who study and review the encyclicals of Leo and Pius are familiar with this aspect of the pope's social teaching. Those who skim its surface and then come before the people with the statement that the pope favors labor unionism, without qualification, gravely misrepresent the teaching of the Holy Father.

* * *

The conclusion that the encyclicals were not meant to approve any and every association of laboring men, which might see fit to call itself a labor union, is justified by reservation which Pius makes, providing that his and Leo's purpose was not merely to approve of labor organization but also to teach the proper methods for such organization.

Such reservation is clearly made in the following paragraphs from "Quadragesimo Anno":

> "There were even Catholics who viewed with suspicion the efforts of the laboring classes to form such unions, as if they reflected the spirit of Socialistic or revolutionary agitators.
>
> "Worthy of all praise, therefore, are the directions authoritatively promulgated by Leo XIII, which served to break down this opposition and dispel these suspicions.
>
> **"They have a still higher distinction, however, that of encouraging Christian workingmen to form unions according to their several trades, and of teaching them how to do it."**

* * *

The high wisdom of the two great popes in protecting their social doctrine, by refusing to give their stamp of approval to labor groups unless they should conform to the high ideals which the encyclicals enunciated, is certainly beyond question.

Too many pernicious doctrines, too many personal ambitions of domination, too many questionable practices have cloaked themselves with the good name of labor for any thinking and prudent man to give a blanket endorsement to labor unionism.

* * *

It is interesting and instructive to note, in the last paragraph quoted from Pius XI, that workingmen, had been encouraged "to form unions according to their several trades."

The industrial type of union, in principle, approaches too near to the leveling process, which identifies Communist practice and which is contrary to nature, to earn the approval of the pontiff.

* * *

In addition to that the entire history of the church's social effort throughout the centuries has been associated with the guild system of labor organization. The guild was the historical forerunner of the craft type of union.

* * *

MUCH further light is cast on the ideal type of union, which Pius had in mind, by the following quotation from "Quadragesimo Anno":

> "Eager to carry out to the full the program of Leo XIII, the clergy and many of the laity devoted themselves everywhere with admirable zeal to the creation of such unions, which in turn became instrumental in building up a body of truly Christian workingmen. These happily combined the successful plying of their trade with deep religious convictions; they learned to defend their temporal rights and interests energetically and efficiently, **retaining at the same time a due respect for justice and a sincere desire to collaborate with other classes.**"

* * *

Thus Pius XI praises only those labor unionists whose motives are primarily religious, that is, who defer in the defending of their temporal rights and interests to the Father of us all Who demands that, in human affairs, justice must prevail.

* * *

By thus insisting that laboring men must look beyond the purely temporal for the complete answer to their problems, the pope gave the only possible antidote to the poison of class hatred which has striken every nation on the face of the earth.

* * *

Pius XI says that the Christian unionist must be animated by a "sincere desire to collaborate with other classes."

Pius does not single out "a class numerous indeed, but select" and tell the laboring man that a nation must be cleared of its "modern Lord Macauleys." That is not the function of a great leader and teacher—that is class hatred and is a grave violation of the paramount Christian virtue of charity.

* * *

A careful, thoughtful reading of the encyclical, "Quadragesimo Anno," leaves one with the feeling that the labor unionism, which the pope idealizes, does not exist today.

Its advent awaits the rising of labor leaders who believe in justice to all and in that harmonious unity which can obtain only through the desire of each class "to **collaborate with other classes.**"

Its advent awaits political leaders who sincerely believe that the state should be "**the supreme arbiter, ruling in kingly fashion far above all party contention.**"

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To Social Justice Councils

Education Is Big Task Now

MANY of the foremost proponents for the cause of social justice are asking what they are to do besides organization, in what activity should they now engage to hasten the day when our program of social and economic reforms will be realized.

To these persons who feel that valuable time is being lost may we address the following words:

In the months of the existence of the former National Union for Social Justice any person who desired to do so was welcome to become a member provided he subscribed to the sixteen point program set forth.

Its membership grew to millions almost over night.

This incredible growth to millions led us to believe that more were sincere than subsequent events proved to be so. We started to put our program of action into effect through political channels We found that politicians talk sound reforms, but shrink from executing them through the age-old trick of "double-crossing" and "selling out." When we embark again into action, it will be without aid or benefit of politicians.

These recollections are cited to point out how futile it would be for Social Justice Councils now to follow the same procedure. We do not want another mushroom organization that will have no deep roots to hold it fast when the winds of opposition rise against it.

Mind you, the principles of the National Union were, and still are, sound and unassailable. **To date, not one of these principles has been successfully attacked.** The cause of failure to attain our goal lay **in the lack of a fundamental knowledge of social justice in the minds of adherents.**

Challenge any thinking person to deny that any one of the following sixteen points are counter to good Americanism or that one of the reforms advocated is not sorely needed to preserve good Americanism:

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
5. **Control of private property for public good.**
6. **Abolition of Federal Reserve Banking System and establishment of a government-owned Central Bank.**
7. **Restoration to Congress of its sole right to coin and regulate the value of money.**
8. **Maintain cost of living on an even keel.**
9. **Cost of production plus a fair profit for the farmer.**
10. **Labor's right to organize.**
11. **Recall of non-productive bonds.**
12. **Abolition of tax-exempt bonds.**
13. **Broadened base of taxation on basis of ownership and capacity to pay.**
14. **Simplification of government and lower taxes.**
15. **Conscription of wealth as well as men in event of war.**
16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

What other organization, except Social Justice Councils offers such an opportunity to effect such a wide scope of necessary reforms? How better can we obtain economic emancipation?

Why, then, jeopardize such a program by admiting every Tom, Dick and Harry into such a worthwhile organization? We do not want those intellectually lazy who refuse to co-operate in gaining the necessary knowledge to break the chains of ignorance.

Those of you who think that you have nothing to do and that valuable time is being lost are not aware of the task that confronts you.

This is a period of education and organization—a time for work. Before you accept a person as a member of your Council exact from him a promise to study our program and to learn the fundamentals of social justice — especially the basic money question.

Unless such a candidate will sincerely endeavor to know what our program is, and to work towards its attainment by applying himself to a study of its objects, he will be a hindrance rather than a help.

Each member of a Social Justice Council must be a gentleman or a lady who is respected in his neighborhood and whose judgment in matters of social justice will be an influential guide to his associates. He cannot exercise this influence unless, first of all, he can explain thoroughly the fundamental principles of social justice to those with whom he comes in contact. It is a quality membership we are seeking rather than quantity.

Communists are not numerous but they are mighty in their zeal and belief in their cause.

If the present members of Social Justice Councils will be selective in the admission of new members to their Councils and will work zealously to make converts of persons who will consent to study our program, we need have no fear of the attainment of the reforms advocated.

Therefore, in summary, your work for the present is to study the program as outlined in the pages of **SOCIAL JUSTICE;** secure at least one new follower each week who will read **SOCIAL JUSTICE** faithfully; and talk social justice to the people you work with. Only in **SOCIAL JUSTICE** will you find light and truth on the money question.

In the words of Pius XI **"it is the utmost importance to foster in all classes of society an intensive program of social education adapted to the varying degrees of intellectual culture, even among the working classes. . . . Thus they will oppose that incoherence and discontinuity in Christian life which we have many times lamented."**

There is not one person who cannot benefit by the program we sponsor. Every person is affected by the labor situation, by the rising cost of living, the increased tax burden and exorbitantly high and unjust interest rates that usury exacts from the ignorant and helpless.

Every person has the right and the duty to know the cause of these conditions—the private control of money—and how to correct them.

SOCIAL JUSTICE carries this information each week to those men and women who will avail themselves of the opportunity to make this knowledge their own.

It is the present task of members of Social Justice Councils to enlighten others.

Senate Committee Given Social Justice Principles

On Tuesday, Wednesday and Thursday, August 3, 4, and 5, a sub-committee of the Senate Committee on Agriculture and Forestry held hearings on the Thomas Bill to end price fluctuations by restoring the Constitutional power of Congress over the issuance of the nation's money.

Prominent among the witnesses and upholding the Sixteen Principles for Social Justice were Robert Harris, Francis P. Keelon and George LeBlanc of New York and Louis B. Ward of Detroit, all intent on building the monetary principles which Father Charles E. Coughlin has long advocated over the radio into the legislation of the country.

In the testimony, Mr. LeBlanc, for years president of a great New York financial institution, Mr. Harris with his long experience as an owner of agricultural lands and prominently identified in every phase of cotton merchandizing, and Mr. Keelon, a bullion broker, built for the Senate an invaluable case for monetary reform.

Show Farmer Doubly Victim

All these gentlemen pictured the American farmer as the victim of two fundamental conditions over which the farmer has no control, viz., the fluctuations of the value of money and the fluctuations in the quantity of production.

As two separate sub-committees of the Senate are considering these two questions, all the witnesses held themselves to the one problem of control of the dollar fluctuation and its influence on agricultural prices.

Proving beyond a doubt that the value of the dollar is reflected in the general price level, all witnesses pleaded for a lower dollar value which would increase the price level of agricultural products.

Recognizing as few students of economics do, that the debt problem is the serious problem compelling drastic devaluation, the witnesses outlined the influence dollar devaluation would have on the farmer, the wage earner, the manufacturer and the producer in general.

All Asked Control Of Price Level

Mr. Robert Harris proved that the only hope for agricultural readjustment is the hope of monetary reform. He pictured the great South bankrupt with cotton at ten cents a pound and pleaded earnestly for justice to the share croppers whose economic livelihood is directly associated with the price of cotton.

Mr. Keelon, in a brilliant discussion of money in the markets of the world, called upon his years of experience in monetary science to prove the Thomas Bill a good bill for the control of the price level.

Mr. LeBlanc, with his years of study of the moneys of the world, proved price control efficacious through the control of money.

Mr. Ward asked the Senate for a prosperity, through monetary control, equal to and opposite to the depression which was effected through a monetary control in the hands of the private banker.

Mr. Ward showed that the depression marked a drop in national income from $81-billion to $88-billion and proved that at least $113-bililon was necessary to give labor in America a living wage; to give the farmer his cost of production and to give a fair return on the investor's dollar.

More Editorial Confidences

In an adjoining column there is printed a message to Social Justice Councils stressing the importance of a time of education as an essential preparation for later action.

There is no source of information and education on matters pertaining to social justice comparable to the national newspaper committed to that very dissemination. In fact, until Father Coughlin's radio broadcasts are resumed in the fall, **SOCIAL JUSTICE** is his ONLY contact with those thousands—might we say millions—of radio listeners who have been aroused to an interest in social justice for America.

The subscription coupon below is both a reminder and a convenience. The numbers which are filled out and sent in each week are gratifying indeed, and are hereby acknowledged with thanks; but the editors have the further satisfaction of knowing that each investor in a **SOCIAL JUSTICE** subscription is many times repaid in the course of his year.

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SOCIAL JUSTICE

FATHER COUGHLIN'S WEEKLY REVIEW

Published by The Social Justice Publishing Co.

September 13, 1937 162 Volume IV. No. 4.

Copyrighted 1937, by The Social Justice Publishing Company; published weekly; publication and editorial office, Box 150, Royal Oak, Michigan. Subscription price, United States and possessions, $2.00 per year. Unless otherwise directed, we begin all subscriptions with the current issue. Entered as second class matter, March 12, 1937, at the Post Office at Royal Oak, Michigan, under the act of March 3, 1879.

PRINCIPLES OF SOCIAL JUSTICE

1. **Liberty of conscience and education.**
2. **Just, living, annual wage.**
3. **Nationalization of important public resources.**
4. **Private ownership of all other property.**
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16. **Sanctity of human rights preferred to sanctity of property; with government's chief concern for the poor.**

Asking for Trouble

IT HAS been more than a month since it became obvious that the "undeclared" war raging in and around Shanghai was destined to be a protracted and bloody venture.

Our State Department, which Secretary Hull is trying to convince the American people is really the "Department of Peace," has already judged it wise to warn all American merchant vessels against entering the port of Shanghai.

In spite of that warning, it is reported that a ship bearing twenty airplanes is enroute to China from Baltimore.

The Japanese government has issued a warning that "it might be necessary to search ships of third parties" for articles of war destined to China.

Most Americans regretfully remember that the very cause of our entrance into the World War was the sinking of our merchantmen by Germany.

The question that must be considered now, in the light of our great adventure of 1917, is whether or not it is wise, honorable or even intelligent to go to war in the defense of buisness men or private travelers who insist on inviting disaster by blundering into well-known danger areas.

The ship which left Baltimore (if it is not recalled or directed elsewhere by the time this is in print) may be the cause of an incident of grave international significance **—all because someone was determined to have the profit on twenty airplanes.**

The American people must be constantly reminded that such insistence on profits was the snare that caught us in the most terrible of all wars.

Before they permit themselves to become emotionalized against Japan—a process that is already under way in our newspapers—they should carefully weigh the value of twenty airplanes against the value of the lives of thousands of young Americans.

In 1917, we as a people, in effect, placed a higher valuation on the twenty airplanes. Do we still judge by the same standard?

The American people must deliberately ask themselves if the losses we sustained in and after the last war are offset by the private gains to be had by putting our army and navy behind the right to sail dangerous waters in the pursuit of foreign dollars.

Red Influence

JUST a few weeks ago the Skoda munitions works, virtually a government project of Czecho Slovakia and said to be controlled by the Bank of France, refused to deliver machine-guns to Portugal.

The reason given was the fear that the guns would get into the hands of the Spanish "rebels" and be used to shoot down Communist troops.

New light is thrown on that refusal by the recent agreement of Skoda to supply munitions to China. It is said that Soviet Russia's close relationship with France enabled Stalin's government to negotiate a loan whereby China could pay the bill.

The Communist interest in any given war seems to determine the policy of the French-dominated Skoda plant. All of which gives substance to the recent Japanese charges that powerful Chinese interests are co-operating with the Soviet government.

Russia, as Japan knows, has been doing constant and intensive missionary work in China for years. Japan charges that Soviet agents and Red Chinese leaders have fomented the Chinese people against Japan.

Within the past few days the Japanese Foreign Minister, Hirota, offered to withdraw Japan's expeditionary forces from China and "join hands in friendship," if **China will prove her sincerity.**

What he meant was that responsible Chinese leaders must give assurances that China will be purged of all Red influence and that China must quell the anti-Japanese agitation which the Communists have set afoot.

The recent signing of a "non-aggression" pact between China and Russia gives official color to the charges made so many times by the Japanese Foreign Office.

The Soviet-negotiated loan, which opened the doors of Skoda and the coffers of France to China, is additional evidence that Hirota is not building a purely imaginary defense of Japanese policy.

China, moreover, is most at fault for her own tribulations. Endowed with untold natural wealth, populated with masses of potentially productive people, and heir to the cultural wealth of one of the oldest civilizations, China has failed to organize and unify her tremendous power.

Disunion and sluggishness always has made China a prey to more progressive and aggressive neighbors.

Red Russia is publicly and officially committed to the policy of subverting the established order in every other nation on the face of the earth.

China has easily been made the vast hatching ground for the bacteria of oriental Communism.

Japan certainly has a right to expect that her great somnolent neighbor will awake and clean out the contagion that might otherwise prove fatal to Japan — and the rest of the world.

Don't believe everything you read in the newspapers —there are two sides to this Chinese question.

EYES and EARS

By Mark Meechan

THE two poles of human government are autocracy and freedom.

All of the intermediate stages of political policy are merely transition phases of peoples who are drifting toward either pole.

* * *

To the average man and to the religious, racial or cultural minority, Communism and Fascism are just as autocratic as the most absolute of absolute monarchies.

The present Russian system of government is founded upon the omnipotence of the state.

The people are "free" only to the extent that they submit to the regimentation, the conditioning, the propagandising of the Commissars. When they kick over the traces to the radical extent of expressing their own opinions on any one of a million topics, they place themselves in grave jeopardy of the firing-squad.

The same is true, in a less fantastic degree, of German Naziism and Italian Fascism.

In what do such systems differ from the absolutism of the Romanoffs? Only in that the supreme state is "sold" to the masses in more intriguing terms than were used by the personal autocrats of the era of the divine right of kings.

In the old days men with the urge to dominate fastened their rule on the backs of a people by cajoling them into believing that God intended it should be so.

Today autocracy poses as the friend of the people, the defender of their rights, the redressor of their wrongs.

The fiction of the rule of the proletariat has been substituted for the fiction of rule by divine right. All else is substantially identical between ancient and modern absolutism.

* * *

The stronger the state becomes, the less free the subjects of that state become in direct ratio.

In other words, peoples are forever becoming more free or more subjugated. Governments are ever tending toward greater mastery or greater service.

As particles of iron, between the poles of a magnet, drift to one or the other pole, so nations are constantly drifting to the pole of absolutism or the pole of liberty.

The drift of European and oriental nations, today, is definitely toward absolutism—we speak only of those which have made some progress toward liberty; many have never brok

(Continued on Page 10)

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Here Are Facts of the Spanish War

48 Catholic Bishops Unite In Open Letter to World

In an 8,000-word letter, signed by every Catholic bishop of Spain—with the exception of those who have been forced to flee the country or the 11 who were murdered—the Spanish episcopate unanimously indicts, before the whole world, the policies and actions of the destructionists headed by Caballero, before and during the present war.

SOCIAL JUSTICE herewith presents excerpts from the letter, which carries the signatures of 48 bishops of Spain, one of whom, Cardinal Ilundain, has since died.

"The Church has neither wished for this war nor provoked it, and we do not think it necessary to vindicate her from the charge of belligerency with which the Spanish Church has been censured in foreign newspapers. It is true that thousands of her sons, obeying the promptings of their conscience and of their patriotism and under their own responsibility, revolted in arms in order to safeguard the principles of religion and Christian justice which had for ages informed the nation's life; but whoever accuses her of having provoked this war or of having conspired for it and even of not having done all that in her lay to avoid it, does not know or falsifies the reality.

"This is the position of the Spanish Episcopate, of the Spanish Church, in presence of the fact of the present war. She was vexed and persecuted before it broke out; she has been the chief victim of the fury of one of the litigant parties; and she has not ceased to work with her prayers, with her exhortations, with her influence, in order to lessen its damages and to cut short the days of trial.

Lack of Social Justice Blamed for War

"And if today, collectively, we formulate our verdict on the most complex question of the war in Spain, it is first, because even if the war were of a political or social character, its repercussions in the religious order have been so grave and it appears so clear from its beginnings that one of the belligerent parties was aiming directly at the abolition of the Catholic religion in Spain that we, Spanish Bishops, could not remain silent without abandoning the interests of our Lord Jesus Christ and without incurring the terrible appellation of 'Canes muti,' with which the Prophet blames those who, being obliged morally to speak, keep silence in face of injustice. . . .

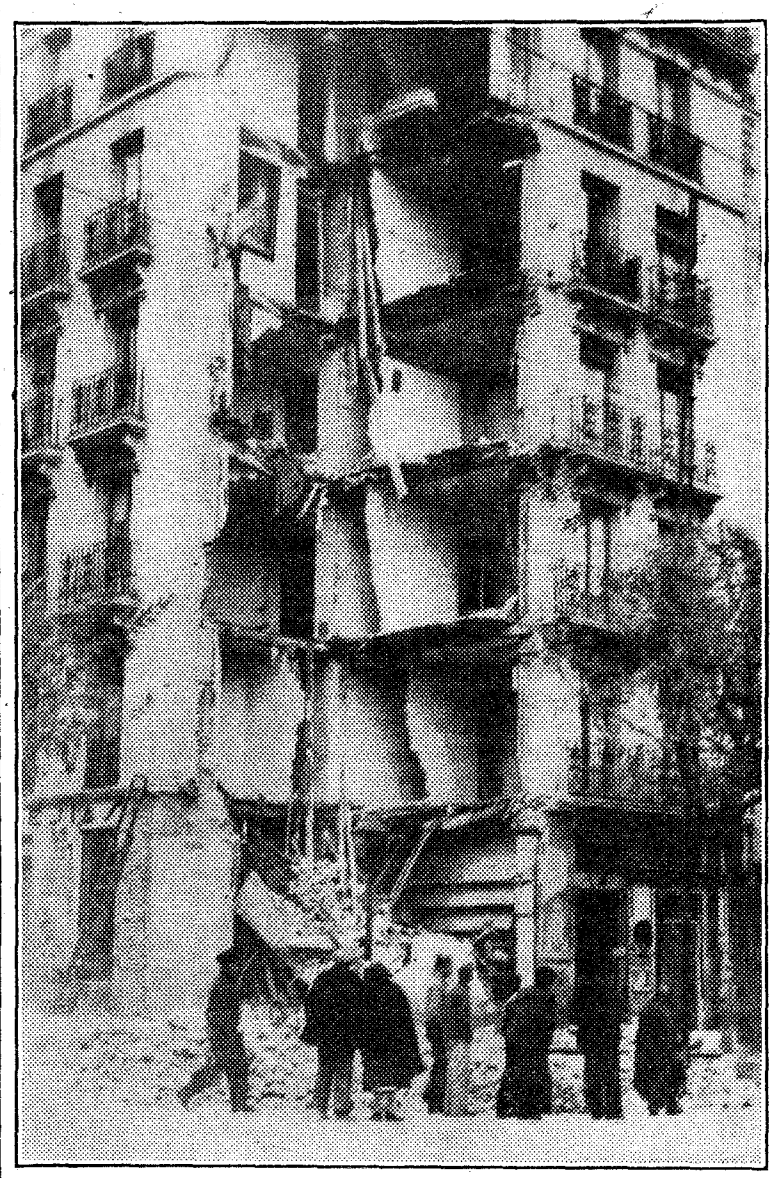
"We affirm first of all, that this war has been occasioned by the rashness, the mistakes, and maybe the malice and the cowardice, of those who could have avoided it by governing the nation with justice. . . .

"The Spanish people, who in their greater part kept alive the faith of their forefathers, received with invincible patience the repeated injuries made to their conscience through iniquitous laws; but the rashness of their governors had introduced into the national soul, along with the injury, an element of repudiation and of protest against a social power which had failed in the most elemental justice.

Public Authority Aided Anarchy

"At the same time the authorities on many and grave occasions surrendered their power to the populace. The burning of churches in Madrid and in the provinces in May, 1931, the revolts of October, 1934, especially in Catalonia and Asturias, where anarchy ruled during two weeks, the turbulent period which runs from February till July, 1936, when 411 churches were destroyed or profaned and when about 3,000 grave transgressions of a political and social character were committed; all these things foretold the total ruin of the public authority which was often seen to succumb to the strength of the hidden powers which controlled its functions.

"Our political regime of democratic liberty was unsettled through arbitrary actions on the part of the authority of the state and through governmental co-action which overrode the people's will forming a political machine in conflict with the majority of the nation, as occurred in the last parliamentary elections in February, 1936, when, with more than half-a-million votes of surplus over the Left, the Right only obtained 118 deputies less than the People's Front, **because the votes of whole provinces had been cancelled at will, thus corrupting in its origin the legitimacy of parliament.**



"The horrors of war have been fiercest where the standard of prosperity and popular well-being has been highest." **(Acme Newsphoto)**

Russia Financed Spain's Revolution

"And whilst our people were being disrupted by the relaxation of social ties and our economy bled to excess, and the rhythm of work altered without aim and the strength of the organs of social defence maliciously enfeebled, another powerful people, Russia, was combining with the Communists of Spain, by means of the theater, the cinema, through the introduction of exotic ways and customs, through intellectual fascination and material bribery, and prepared the people's spirit for the breaking out of the revolution which could be predicted nearly at a fixed term.

"On February 27, 1936, and immediately after the triumph of the People's Front, the Russian Komintern resolved to decree the Spanish revolution and financed it with exorbitant amounts of money.

"On the 1st of the following May hundreds of young people clamored openly in Madrid **'For bombs and pistols, powder and dynamite for the coming revolution'; on the 16th of the same month the representatives of the U. S. S. R. met with the Spanish delegates of the Third International at the People's House in Valencia, resolving in the ninth of their accords:** 'To charge one of the wireless stations of Madrid, that one designated as the No. 25, constituted by police officers on active service, with the elimination of the political and military personages destined to play an important role in the counter-revolution.'

"Meanwhile, from Madrid to the most distant villages, the revolutionary militiamen learned the military instructions, and they were armed plentifully, to the point that, when the war broke out, they were able to rely upon 150,000 shock troops and 100,000 reserves.

Franco's "Revolt" Move to Save Spain

"'In spite of the misbehaviors of the Reds,' we read in a foreign review, 'it remains true that if Franco had not revolted the hundreds or thousands of clergy who have been murdered would have been spared and would have continued to do God's work for souls.'

"We cannot subscribe to this assertion, witnesses as we are of the Spanish situation in the moment of the outbreak of the conflict. **The truth is just the contrary;** because it is a documentally proved fact, that in the scrupulously prepared scheme of the Marxist revolution which was being prepared and which would have broken out in the whole country, if in a great part it had not been hindered by the civic military movement, the extermination of the clergy was ordered, along with that of those known as members of the Right, with the Sovietization of industries and the introduction of Communism.

"It was during last January that a leading anarchist told the world by wireless: 'We must say things as they are, and the truth is none other than **that the military have stolen a march on us to avoid our unchaining the revolution.**

"Let it remain, therefore, established as the first assertion of this document, that five years of continuous insults to Spanish subjects in the religious and social order put the very existence of the commonweal in the gravest danger and produced enormous tension in the spirit of the Spanish people; that the national conscience felt that, once the lawful legal means were exhausted, there was no other recourse left but that of violence for maintaining order and peace; that powers other than the authority considered as legitimate determined to subvert the constituted order by the violent implantation of Communism; and finally, that through the fatal logic of the facts, **Spain had no other alternative but this: either to perish in the definite assault of destructive Communism,** already prepared and decreed, as has occurred in those parts where the national movement has not triumphed, **or to attempt a titanic effort of resistance,** in order to escape from the terrible enemy and to save the fundamental principles of her social life and of her national characteristics.

(Continued on Page 10)

Spanish Bishops Deny Stock Press Charges

The object of their letter would not be fulfilled, the Spanish bishops state, if they did not reply to some of the accusations levelled against the church in Spain by the world press.

Of having resisted a people's movement, transforming churches into fortresses, and thus leading to the massacre of clergy and the ruin of the churches.

"We deny this," the bishops write, and add:

"The attack on the churches was sudden, almost simultaneous in all regions, and coincided with the butchery of priests. **The churches were burned because they were the Houses of God and the clergy were sacrificed because they were the Ministers of God.** The proofs are abundant. The church has not been an aggressor. She was the people's first benefactor, inculcating Christian doctrine and encouraging works of social justice. She succumbed—where anarchical Communism has prevailed—an innocent, peaceful and defenseless victim."

Of having owned one-third of the national territory and that the people have revolted in order to free themselves from her oppression.

"It is an absurd accusation. The church did not possess more than a few and insignificant portions of land, presbyteries and schools, and even of this, the state had recently taken possession. All that the church possesses in Spain would not cover a quarter of her needs, and answers to the most sacred obligations."

Of rashness and partiality in mixing in the struggle which keeps the nation divided.

"The church has always been on the side of justice and peace and has collaborated with the powers of the state, in whatever situation, for the common good. The bishops insist that the church in Spain, placed over all persons and things, has fulfilled her duties and has not tied herself to parties, persons or tendencies. These assertions can be proved by existing documents and facts."

That Spain is engaged in a class war and that the church has put herself on the side of the rich.

"Those who know its causes and its nature can observe that this is not so. **Even recognizing some negligence in the acomplishment of the duties of justice and charity,** which the church has been the first to urge, the working-classes were strongly protected by the law and the nation had entered decidedly on to the way of a better distribution of riches. The class-struggle is more virulent in other countries than in Spain. It is precisely in Spain that a great part of the poorer regions have been spared **the horrors of war, which have been fiercest where the standard of prosperity and popular well-being has been highest."**

That the war in Spain is nothing but an episode in the universal struggle between democracy and statism; that the victory of the National Movement will bring the nation to state-slavery.

"The church, in danger of perishing totally at the hands of Communism, as has occurred in the regions where it holds sway, feels herself protected by a power which until now has guaranteed the fundamental principles of all society, without any consideration of its political tendency.

"As regards the future, we cannot foretell what will happen at the end of the struggle. Nevertheless, we affirm that the war has not been undertaken in order to build up an autocratic state on a humiliated nation, but simply that the national spirit should arise with the strength and the Christian liberty of old times. We would be the first to regret that the irresponsible autocracy of a parliament should be replaced by the yet more terrible one of a dictatorship, without roots in the nation. We nourish the legitimate hope that it will not be so."

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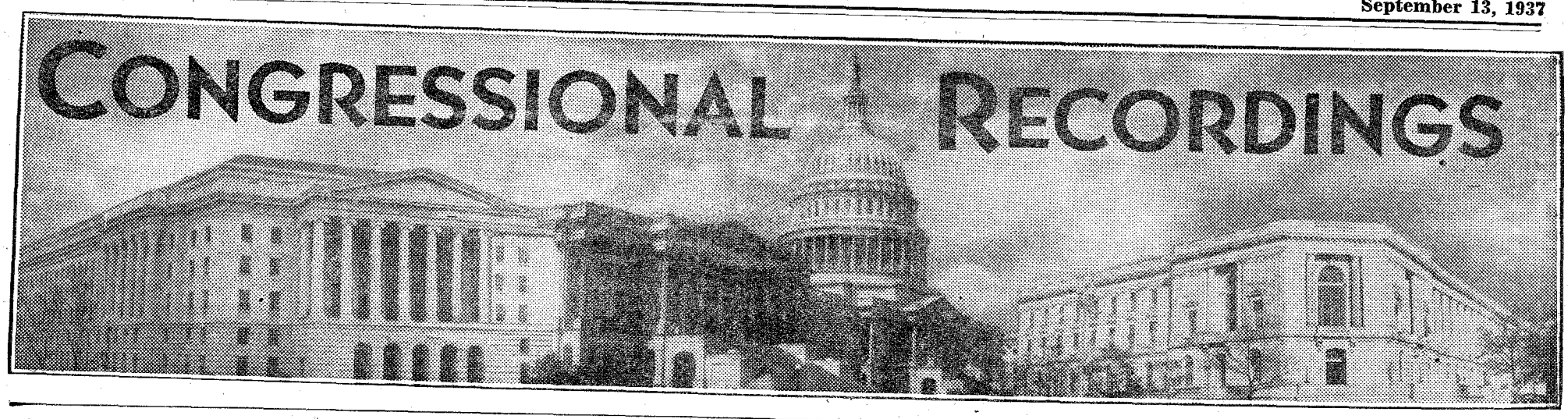


Merchant Marine Program Faces Big Increase in Cost of Ships

Private Shipbuilders' Bid Is $15-Million Higher Than That of Government's Own Yards

By Hon. Homer T. Bone
Senator from Washington

The total arms expenditures in the world rose from $5-billion in 1934 to $11-billion in 1936. That year the expenditures of Russia were estimated at three billion. Those of Germany were estimated at $2,600,000,000, and in our own United States they were estimated at one billion dollars.

What are we getting for all of this money? As late as from 1932 to 1933, the bid price received on a destroyer of around 1,500 or 1,600 tons was three and a half million dollars. Bids received recently for the same type of boat run around $7-million or a 100 per cent increase in the cost of these vessels, in its national defense program in that one isolated field.

Imagine what a godsend that is going to be for private shipbuilders when the big merchant marine program gets under way. Private builders could not demand a better opportunity to put their trucks up against the back door of the Treasury.

The other day the department called for bids on a couple of big battleships. This ought to thrill the taxpayers. Let me call their attention to the fact that private shipbuilders submitted some bids on two proposed 35,000 ton battleships and those bids were **$12-million apiece more than the bids of our own navy yard.**

An interesting aspect of this problem is presented when it is realized that the figures of 34 or 36 million dollars bid by the navy yards and the 12 to 15 million dollars differential in the private-yard bid **are only for the hull and machinery.** The American people have no conception of what this tremendous increase in cost means to them.

When a three and a half million dollar destroyer of four or five years ago is translated into a seven or eight million dollar destroyer now, national defense is going to cost so much that, before we are through with it, it will fairly make us shiver.

What justification is there for a 100 per cent increase in the cost of ships?

If there is justification for it, what is the merchant-marine program going to cost? What is the whole program of national defense going to cost this country if we are to have all the new ships we want and need?

Big-Three Ship Combine Conspires on U. S. Bids

By Hon. Bennett Champ Clark
Senator from Missouri

In connection with the discrepancy of some $15-million between the actual cost in government navy yards and the lowest bids of private shipbuilding companies, for the proposed new battleships, it might be interesting to have a comparison with the cost of a battleship constructed within a comparatively brief period.

The battleship California finished in 1921, in a time of relatively high construction costs both for material and labor, is comparable in size to the battleships now being constructed. The California was constructed at the Mare Island Navy Yard. It has a tonnage of 32,600 as against a tonnage of 35,000 for the present battleships.

The California was constructed for $15,406,638, less than 50 per cent of the cost estimated by the navy yard at the present time, and **it was constructed for less than a third of the lowest bid received from private shipbuilding companies at this time.**

And actual shipbuilding costs were higher in 1921 than they are today, so far as wages and materials are concerned. In fact we have been going through a struggle for the last three or four years to get wages and material costs back to where they were in 1921.

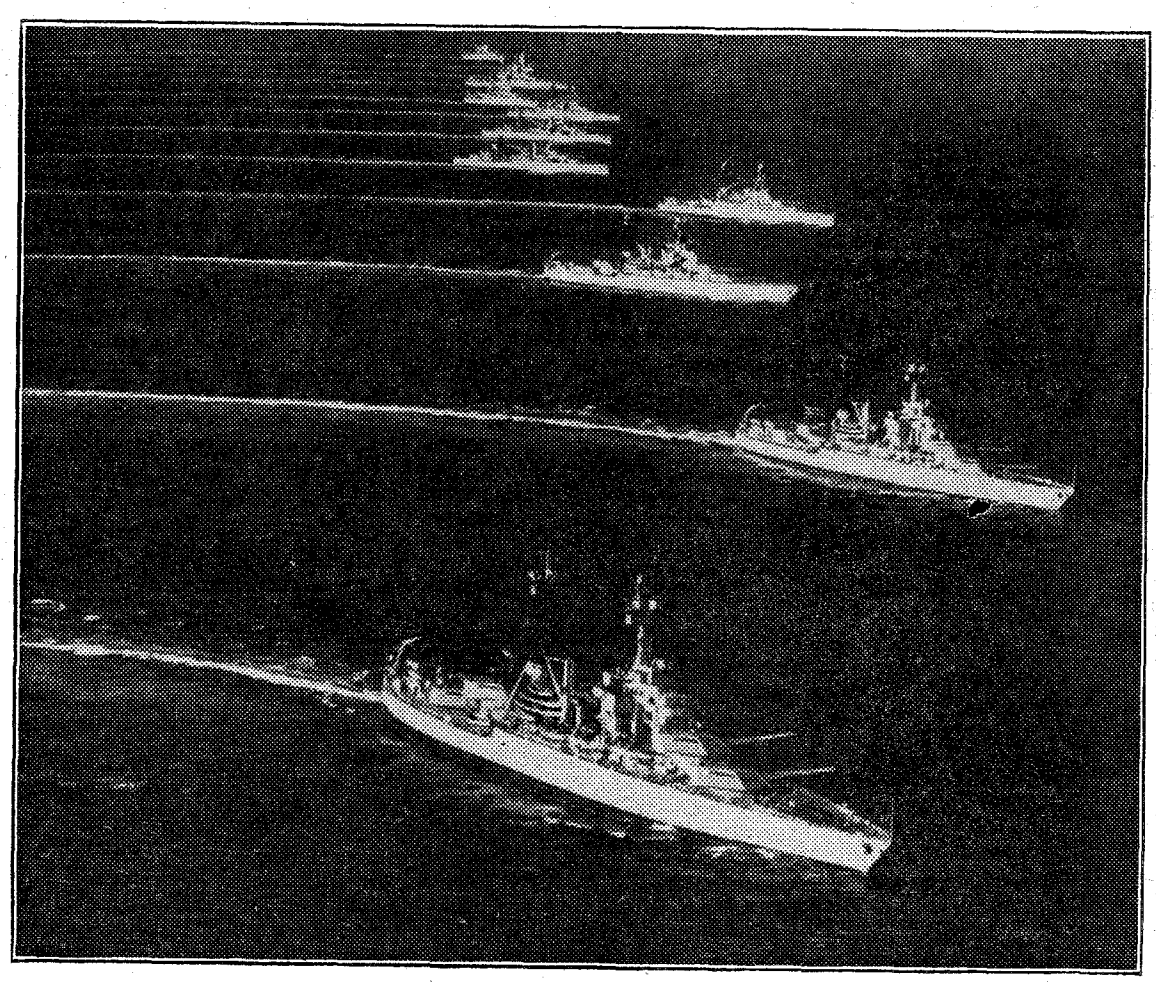
In 1932 the Bethlehem shipbuilding yards were awarded the work of building the cruiser Quincy on a bid of $8,196,000. In the following year of 1933, **at a time not of rising but of falling costs both for labor and for construction,** the work of building exactly the same type of cruiser, the Vincennes, was awarded to the same company, the Bethlehem Co., on a low bid of $11,720,000, as well as the work of building the Savannah on a bid of $11,677,000.

In other words at a time when both labor and construction costs were falling rather than riding, there was an increase in the bid on the same type of cruiser, from approximately the same bidders, of three and a half million dollars, nearly 50 per cent of the construction of the 1932 cruisers.

In 1932 and 1933 there was an inexplicable increase in construction costs in the matter of cruisers of that type, of 40 per cent.

It was later explained that **the representatives of the big-three shipping combine (Bethlehem Shipbuilding Corp., New York Shipbuilding Co., and Newport News Shipbuilding and Dry Dock Co.) would get together and decide among themselves which company was to build which vessel, and at what price they desired the bid to be made, and then the other two of the conspirators would make collusive and protective bids,** so that in each case it was absolutely certain that the member of the big-three shipping combine which had been decided on in advance would get the award. It later appeared that precisely the same process had gone on among the so-called little three in the building of destroyers, submarines and types of vessels of a smaller kind.

This represents a disgraceful condition in this country, to say nothing of the waste and extravagance involved in allowing these purveyors of munitions to plunder the people of the United States, and the illustrations with regard to shipbuilding might be extended to the other fields, to the manufacturers of other kinds of munitions of war.



"When a three-and-a-half million dollar destroyer of four years ago is translated into a seven or eight million dollar destroyer now, what is the whole program of national defense going to cost this country if we are to have all the new ships we want and need?"

Control of Tax-Crop And Exemptions Urged

By Hon. Everett M. Dirksen
Representative from Illinois

An examination of but a portion of the tax harvest of 1937 discloses a singular unanimity in increasing or expanding taxes. In the field of personal-income taxation, 10 states have provided increases, two have effected moderate schedules, and two other states have maintained existing schedules. The changes in Iowa law levy an income tax on nonresidents on income derived in the state; North Carolina will now levy a tax of 7 per cent on all incomes in excess of $10,000 and North Dakota's new rates will run from 1 to 15 per cent.

In the field of corporate income taxation, eight states have enacted or increased such taxes, and one state has made a very slight reduction.

Sales taxes seem to be all the rage. Twenty-three states now have this variety of tax, and if the experience of Iowa is any criterion where the gross receipts tax has been continued indefinitely, there is now rich prospect that these taxes have lost their emergency character and are going on a permanent footing. **The transformation of emergency taxes into permanent revenues is inevitable.**

The growth of tax exemptions presents likewise, many possibilities. It must be apparent to everybody that as certain classes of property are exempted from taxation and revenue needs continue to increase, **this loss in taxes must be offset by an increased rate of taxes on the nonexempt property.** This affords ample evidence of how muddled our tax system really is, and what a great outcry it will some day provoke as the burdens of taxation become more manifest to the taxpayers.

Let Americans Vote on U. S. Foreign Policy

By Hon Louis Ludlow
Representative from Indiana

The only way to stay out of foreign wars is for the people to have the opportunity to vote whether or not they want to get in. The proposed Constitutional Amendment (H.J. Res. 199, a referendum on war) gives them that opportunity.

American citizens can vote about taxes, about services, about school buildings; they can elect their constables and dog catchers; but at the present time they cannot vote about the most important thing in the world, the death of their children and the future character of the nation.

In 1917 it was four months after the declaration of war before we had 10,000 men landed in France. It was 12 months before we had enough men there to fight. No nation can invade America. When we join a foreign war it is always a matter of sending our troops abroad, across the seas. A referendum taking four or seven days will not make any difference in the sending of our troops abroad. **The headache of past-war debts, taxes and depressions will last many hundred times that seven days.** The resolution does not in any way interfere with national defense.

At present there is no democracy in foreign affairs. There is autocracy. A president is free to quarrel with other nations without considering the desire of the people to stay out of war. One man makes a situation and faces Congress with an accomplished fact.

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Salary Value Depends on Dollar

Living Costs Determine Real Worth of Pay-Check

Increase of Purchasing Power Is the Only Increase That Helps Wage Earner

The cost of living figures are the yardstick which determines the real value of salaries and wages received by American employes. The increases in prices of meats and other foodstuffs and the fluctuation in the price of clothing reflect the changes in the value of the dollar.

Food, being the most important item in the family budget of the average wage earner, requires one third of all his expenditures. The prices of foodstuffs, according to the Consumer's Counsel division of the A.A.A., have risen more than 16 per cent since July, 1934.

Some of the prices of foodstuffs as they were then and in 1937 include:

	July, 1934	July, 1937
Round steak, lb.	29.9c	43.4c
Milk, qt.	11.3c	12.1c
Bread, white, lb.	8.2c	8.9c
Pork chops, lb.	26.2c	41.8c
Eggs, doz.	29. c	35.1c
Butter, lb.	30.7c	38.3c

The Consumers' division also promises still higher prices for pork and better grades of beef, egg price increases during the rest of the year, increases in the price of butter which will bring the price above the 1936 level by the end of the year.

Buying Power Of Dollar Shrink

A dollar spent for meats, milk, butter and other dairy products in 1937, will buy about seven tenths as much as in July 1934.

The same dollar, spent for eggs will buy only about four fifths as many, and only two thirds as much fats and oils as in 1934.

A dollar spent for bread and other cereals will buy the same quantity of these products as 94 cents did three years ago.

Department of Labor statistics show a rise of 1.4 per cent in clothing prices during the three months ending June 15. Clothing takes about 13 per cent of the average family's expenditures. Rents which require 20 per cent of the family's monthly income, advanced 2.4 per cent from March 15 to June 15 of this year.

Furniture and house furnishings increased 2.3 per cent to June 15, with further increases expected, while fuel and light, when combined, remained approximately the same as in 1934.

Three causes for the increase in living costs, especially in food prices, may be found—

1. **Crops restriction and control by the A. A. A. which lessened the amount of crops;**
2. **The drouth which injured feed supplies, and made necessary the marketing of much livestock;**
3. **Increased consumer spending power.** The first two causes greatly limited the supply and the third brought about an increased demand.

SOCIAL JUSTICE Forecast Fact

Early in January, an article in SOCIAL JUSTICE said:

"Today labor is on strike to acquire a wage of 80 cents an hour in the motor industry. Supposing the owners of industry accede to this demand, what will happen in a year or so? The cost of living is now increasing, will continue to increase. The cost of government through the process of taxation, will continue to mount. Today 33 cents out of every dollar earned by the industrial laborer is siphoned from his payroll through an invisible tax upon bread and butter, clothing and shelter, recreation and medicine, transportation and education. . . .

"In less than six months the 80 cents an hour which labor gained as a result of its present demands will be no more val-

(Continued on Page 15)

C'est Unjuste, N'est-ce Pas?

Unfair in any language is the slogan of these five and ten cent store strikers of San Francisco, who are shown picketing for a living wage in Italian, Chinese and English. *Wide World photo.*

Wage Earners Receive But 3-4 of "Decent" Pay

Employes in Only One Section of U. S. Approach Smallest Wage Needed For Decent Living

What is the smallest weekly amount a family of four must have to live decently? The American Institute of Public opinion published a survey in July, in which the public answered the above question.

The states were grouped into sections, taking into consideration the varying cost of living in the different parts of the country.

The weekly "decency" standard for a family of four was given as follows:

New England	$30
Middle Atlantic States	35
East Central States	30
West Central States	25
South (excl'ng Negroes)	25
Mountain States	30
Pacific Coast States	35
Southern Negroes	12

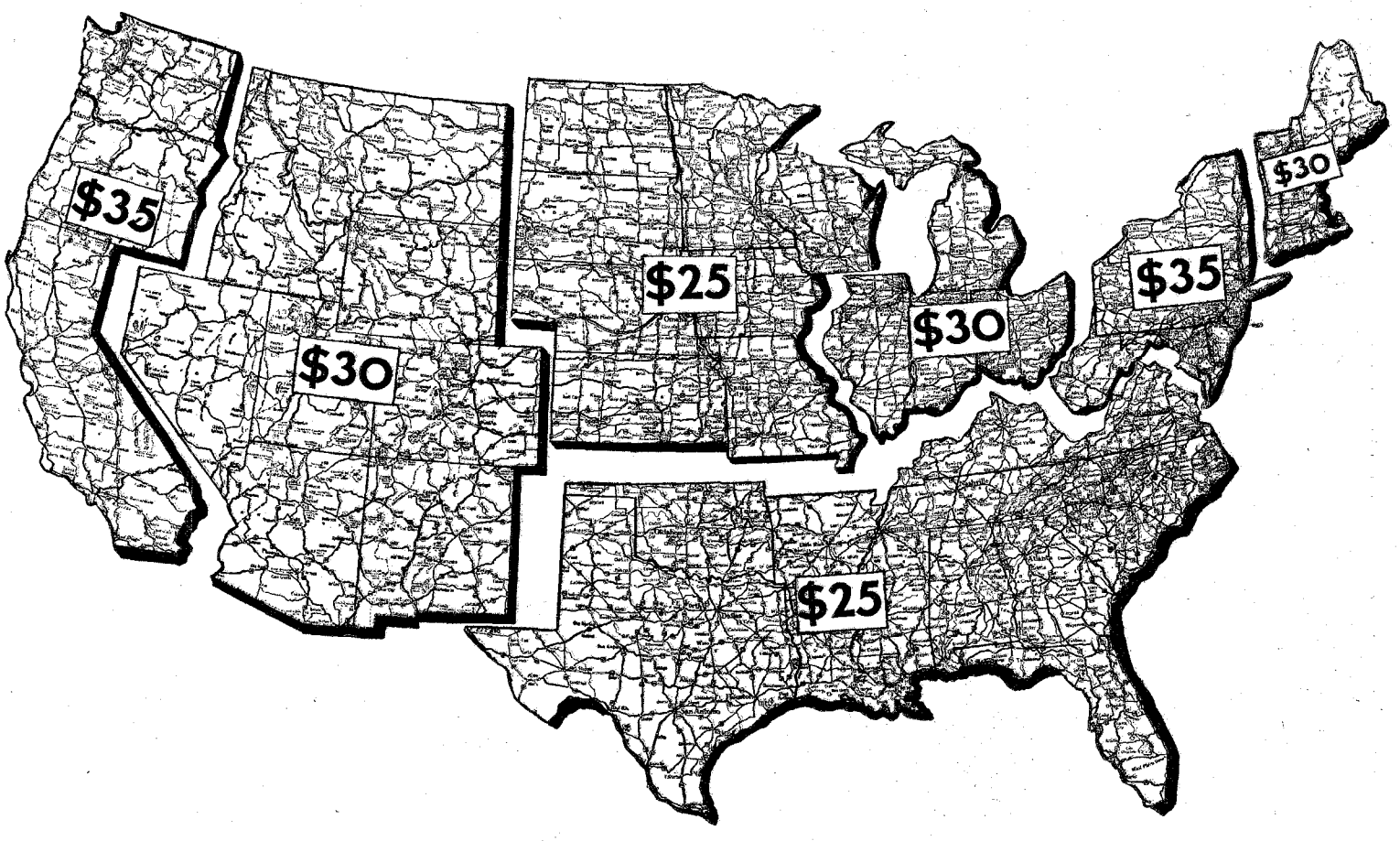
The answer to the question how much income a year do you think the average family of four needs for health and comfort:

New England States	$39
Middle Atlantic States	39
East Central States	38
West Central States	33
South (excl'ng Negroes)	33
Mountain States	38
Pacific Coast States	39

The figures of the Bureau of Labor Statistics of the United States Department of Labor show that at the beginning of this year, in no section in the United States did the average wage reach the smallest weekly amount deemed necessary for a family of four to live decently. In three sections of the country the average weekly wage was but three fourths of the "decency" standard, while in only one section did it exceed 90 per cent.

With the "decenecy" standard predicated (as it was) upon an annual salary of 52 weekly pay checks a year, the figures show an even greater difference in the annual wage received, as the percentage of layoffs in industrial employment is great.

Section Of Country	Number Employed Jan., 1937	Weekly Payroll Jan., 1937	Average Weekly Pay	"Decent" Weekly Pay	% of "Decent" Wage Rec'd	"Comfort" Weekly Pay	% of "Comfort" Pay Rec'd
New England	918,132	$21,192,956	$23.08	$30	76.9	$39	59.0
Middle Atlantic States	2,156,160	56,145,132	26.04	35	74.4	39	66.8
East Central States	2,186,660	57,178,580	26.15	30	87.2	38	68.8
West Central States	397,557	9,065,064	22.80	25	91.2	33	69.0
South	1,281,870	25,118,569	19.59	25	78.4	33	59.4
Mountain States	122,999	3,136,875	25.50	30	85.0	38	67.1
Pacific States	881,564	10,024,572	26.27	35	75.1	39	67.4



The above map shows the weekly income voted as the "smallest amount necessary for a family of four to live decently" in the various geographical sections of the United States.

Southern Negro Needs Twelve Dollars Weekly

Southern negroes, in the poll for the smallest amount necessary for a family of four to live decently, named $12 as the weekly minimum. White residents and workers of the South named $25 as their minimum.

The negroes actually live on less than $12 in many districts. Negro farmers as a rule, named $8 as sufficient for a family of four, while the city workers thought it took closer to $14.

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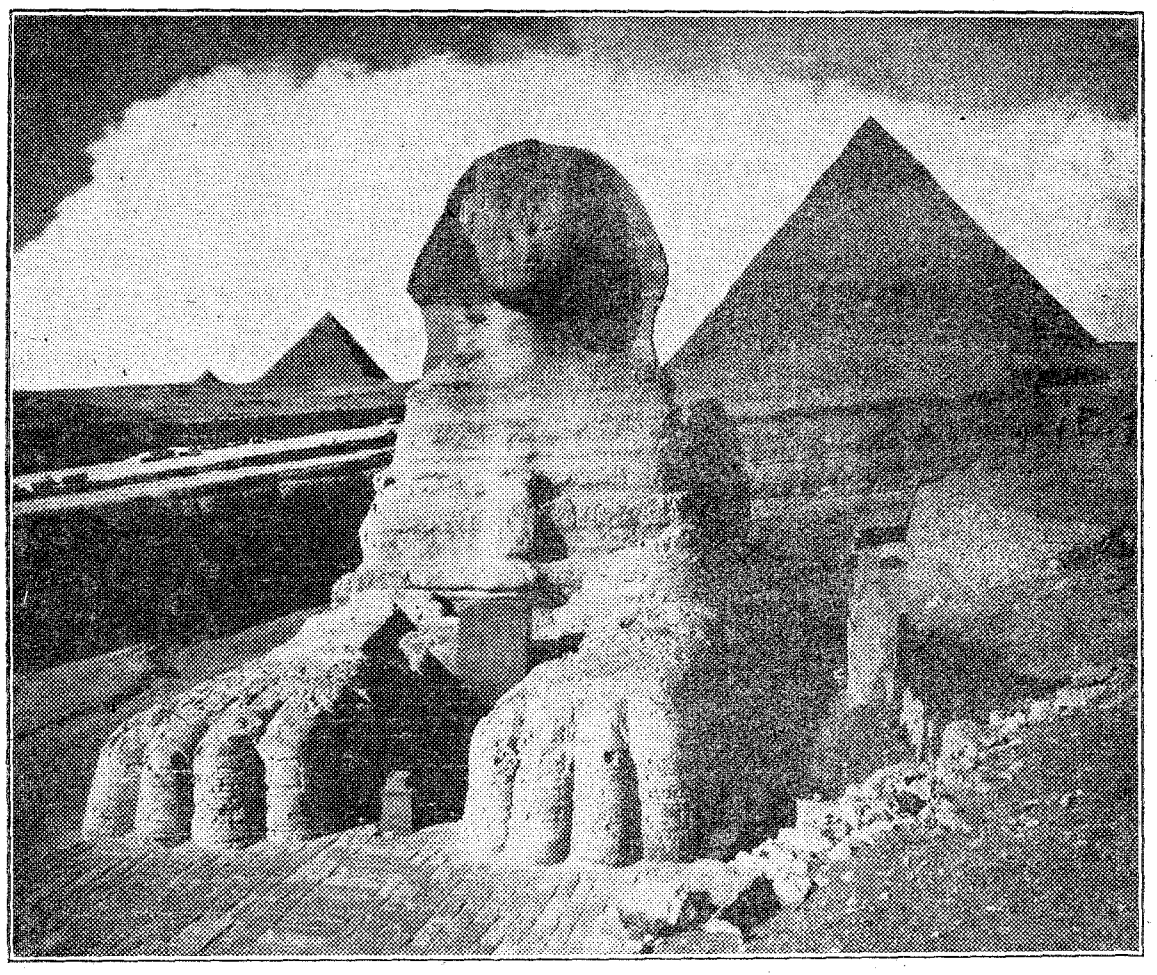

"When ancient Egypt was overwhelmed by waves of wealth and poverty and wretchedness, 2 per cent of her people owned 97 per cent of her wealth."

Fewer Than 12 Men In America Control Wealth of Nation

MAN'S natural and inherent rights to be free, independent, and economically secure, as guaranteed by the Virginia Bill of Rights, the Declaration of Independence, and the Constitution of the United States, have been challenged by subversive forces whose apparent object is to concentrate the wealth in their own hands, sweep away constitutional limitations and substitute a dictatorship in their stead.

The strain and stress of these last seven trying years in our economic history have been brought about by a small, powerful group of selfish, grasping individuals that they might gather in the property and savings of the American people.

Ten great depressions have come upon the American people—six in the last century, and four thus far in this century. This present depression is greater than all of our previous depressions combined.

This depression did not just happen as the result of another "inevitable" business cycle, as many have sought to have us believe. On the contrary, it was deliberately planned, and it is being carried out in furtherance of plans.

Twelve Men Control America

What has been the general result? For nearly seven years, our people have suffered untold hardships. Millions have vainly sought for work. The great mass are living in abject poverty.

On the other hand, **fewer than 12 men in America today are said to control the wealth and destiny of our nation.** Through our present banking laws, and the ineffectual enforcement of our anti-trust laws, the favored few still continue to gather in our shekels, dominate the flow of credit, fix our wage scales and hours of labor, and in most ways dominate the lives of those of us who produce the real wealth of America. Six hundred families own more of this nation's wealth — in fact twice as much—as all the balance of the people put together.

Four per cent of the people of the United States own or control 87 per cent of the wealth, while the remaining 13 per cent is distributed among the other 96 per cent of our people. The result is that two out of every three families in America are living below the poverty line or barely above it.

Seventy-five per cent of our people, if sold out tomorrow, would not have enough to pay their debts. The small land proprietor, along with our great middle class, is fast disappearing due to economic pressure.

Want in Midst Of Landed Plenty

This is taking place in a land where we could produce more wheat, more corn, more cotton, more manufactured articles—more of everything necessary to sustain human life and contribute to human happiness and human comfort — than was ever known before. All this is happening in the most enlightened age, when we have gained the greatest ascendency over the forces of nature ever reached in the history of the human race.

Mr. James Truslow Adams in his book "The Epic of America" (page 344), tells us that some years ago one of the Morgan-Rockefeller group of business men had a banquet, and one of the after-dinner speakers made the tactical mistake of declaring that it has been said the business of the United States was controlled by 12 men, of whom he was one, and that the statement was true!

"This remark," says Mr. Adams, "made among friends, was deleted from the printed report of the speech when given to the public, but the public is well enough aware of the situation without any such open admission."

Mr. Adams then goes on to show that never before has such a colossal power been concentrated so rapidly into the hands of a few, "whether we consider the resources and income at their command, the population affected by their orders and acts, or the millions of people in their direct employ."

When we notice that the Rockefellers have a corner on oil and gas, while the Morgans are concerned, to a large extent, with power companies and railroads, we are reminded of Caesar, Pompey and Crassus dividing up the Roman Empire among themselves.

Great Minds Foresaw Doom

These conditions were not unforeseen. Abraham Lincoln and John Clark Ridpath, the great American historian, both foretold a time when giant corporations would be enthroned, when capital in the places of power would seize upon the organs of public utterance, inaugurate an era of corruption in high places, and, working upon the prejudices of the people, aggregate wealth in a few hands until our Republic might be destroyed.

Nor were they alone in their predictions. Macaulay, the great English statesman and historian, nearly a century ago, foresaw these same conditions when he said that the United States would be as fearfully plundered and laid waste by barbarians in the 20th century as the Roman Empire was in the 5th, with this difference: that the Huns and Vandals who ravaged the Roman Empire came from without, and that our Huns and Vandals would be bred within our country by our own institutions.

Concentrated Wealth Old Story

Why have ancient nations fallen? When ancient Egypt, with her schools, literature, temples and pyramids, was overwhelmed by waves of wealth and poverty and wretchedness, 2 per cent of her people owned 97 per cent of her wealth. The people starved to death.

When Ninevah perished, the wealth of the few and the poverty of the masses resulted in the demoralization and the ruin of that once renowned capital.

When Babylon went down by the weight of vice and crime, 2 per cent of her population owned all of the wealth, and the masses were degraded by poverty and were more miserable than slaves.

When Persia fell beneath the sword of doom, 1 per cent of her population owned all the land.

When Rome commenced her decline, which terminated in ruin, 1,800 men owned the Roman Empire.

America is rapidly following in the footsteps of those nations.

In 1870, statistics showed that 2 per cent of our population owned 70 per cent of our entire wealth. And at about the same time, Chauncey M. Depew said that 50 men **controlled the finances of this country and dictated its legislation.** Today fewer than a dozen men are said to own and control the wealth and destiny of this nation.

Author Long in Washington

Written in an earnest effort to make real to the average man and woman the very grave economic, social and political condition in which our country finds itself, "America, Awake!" by Oscar Brumbach (Voters Guide Publishing Co., 1416 F Street, N.W., Washington, D. C.) has had a deservedly wide distribution. In response to many requests, SOCIAL JUSTICE herewith reviews Mr. Brumbach's startling compilation.

OSCAR BRUMBACH

In 212 pages of "factual dynamite," the author attacks the sinister forces that control the money and credit of the United States, and boldly and brilliantly defends the proposition that Congress should recapture and exercise its full Constitutional power to coin and regulate the nation's money.

"As a boy and young man," Mr. Brumbach writes, "it was my privilege to be associated for a number of years in the Senate and House of Representatives with a member of Congress. (The late Senator Thomas D. Schall.) During that time I saw much that took place behind the scenes,' also how America became involved in the World War.

"'America, Awake!' shows how the history of 20 years ago is being repeated today. The book was written to assist people in recognizing some of the dangers which confront them. It was written as a warning against those influences in statecraft and high finance who engineer depressions and start wars."

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Daring Book T Are Planned

DEMOCRACY is eration to ano must make his con preserve the rights, the people.

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Even the crisis man-made depress wages, its high pri for the moment int of this supreme ch institutions.

Though sometimes quotations of statemer them Senators and C

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Eighty-seven per cent wealth is in the contro per cent of the people. New York Daily News, a by Lowell Limpus, April 1935.)

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Twenty-odd million p are on relief rolls — ap **mately a million and a whom are nationals of countries.** (Congressma tin Dies, Texas, 1936.)

Public relief in 19 costing the taxpayers every minute — or $6, every 24 hours.

Twenty-odd million can persons are unem (Senator Huey P. Long

Approximately 6-mill tionals of other countr holding jobs that Am would fill if we had th laws in force as other tries have. (Cong. Marti Texas, 1936.)

In the fiscal years fro to 1936, the cost of th eral Government, sp anticipated, aggregate amount expended by it period of 124 years fr first Washington admi tion in 1789 to that of row Wilson in 1913.

Crime is on the in and is exacting in tribut

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Awake!"

How Depressions
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Centralized sinister and sub-
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rld today, playing a fast
d closely organized game
th the world for its table
d universal control for its
kes.

Thirty-seven thousand for-
n agents are in this coun-
; their purpose is to tear
wn our tariff walls, which
otect American industry and
erican labor with American
andards of living; to trick us
o World Courts and Leagues
Nations where the United
ates would have one vote
d Great Britain eight votes.
is is the first step toward
broiling America in the Ar-
geddon of coming war!
ese 37,000 foreign agents
picked men and women;
y are determined, and their
ernments are determined,
hinder the growth and de-
opment of the United
tes. They are jealous of
erica's growth and power,
they know that to cripple
development of a nation
indirection is one of the
st tricks of international
omacy. (Senator Thos. D.
all, 1935.)

ur public school system is
g undermined; many class-
re actually being held in
s and abandoned cotton
age warehouses.

ghty-five out of every 100
erican farms are under a
tgage. (Senator Ellison D.
th, April 22, 1935, Cong.
rd, 74th Cong.)

ree thousand farms and
es, on an average, are be-
sold out through foreclos-
, delinquent tax sales, etc.,
y 24 hours. (Senator Lynn
razier, May 4, 1934, Cong.
rd, 73rd Cong., 2nd Ses-
.)

U.S. Farmer Poorer Than The Peasant

Nation Suffers Want In Midst of Plenty As Traders Shuttle Gold To Weave Profit

IN A recent report, the Rosenwald Foundation surveys disclosed that the average level of the standard of living of the Southern Share-cropper is far below that of the European peasant.

In 1932, forced sales of farms for delinquent taxes, bankruptcies and foreclosures on mortgages, increased from 19.5 to 41.5 per thousand, until today, as Senator Norris has shown, 42.4 per cent of the farms in the United States are run by tenants, the Southern States leading with an average of 58 per cent of the farms being by tenants.

The late John A. Simpson, former president of the National Farmers Union, after having made a tour of France and the Scandinavian countries, reported in 1934 that 35 per cent of the farmers in France and 85 per cent of the farmers in Denmark own their own farms and live in modern houses, that is, in homes lighted by electricity and having radios, running water, etc.

American Farmer Poorer Than Peasant

What a contrast when compared with the deplorable condition of the farmer in America where, Mr. Simpson pointed out, only one home in ten is so equipped and furnished, where many farmers are compelled to plow with beef bulls—not even being able to afford a horse or mule, and where, as Senator Smith tell us, 85 farms out of every hundred are under a mortgage.

Fifty-one per cent of all American imports from abroad during 1934-35 were farm commodities (Senator Wm. E. Borah).

In 1934-35 Americans purchased $970-million worth of commodities from other countries in excess of what other countries purchased from us, and even beef to feed the men in our C. C. C. camps was imported from the Argentine Republic (Senator Thos. D. Schall).

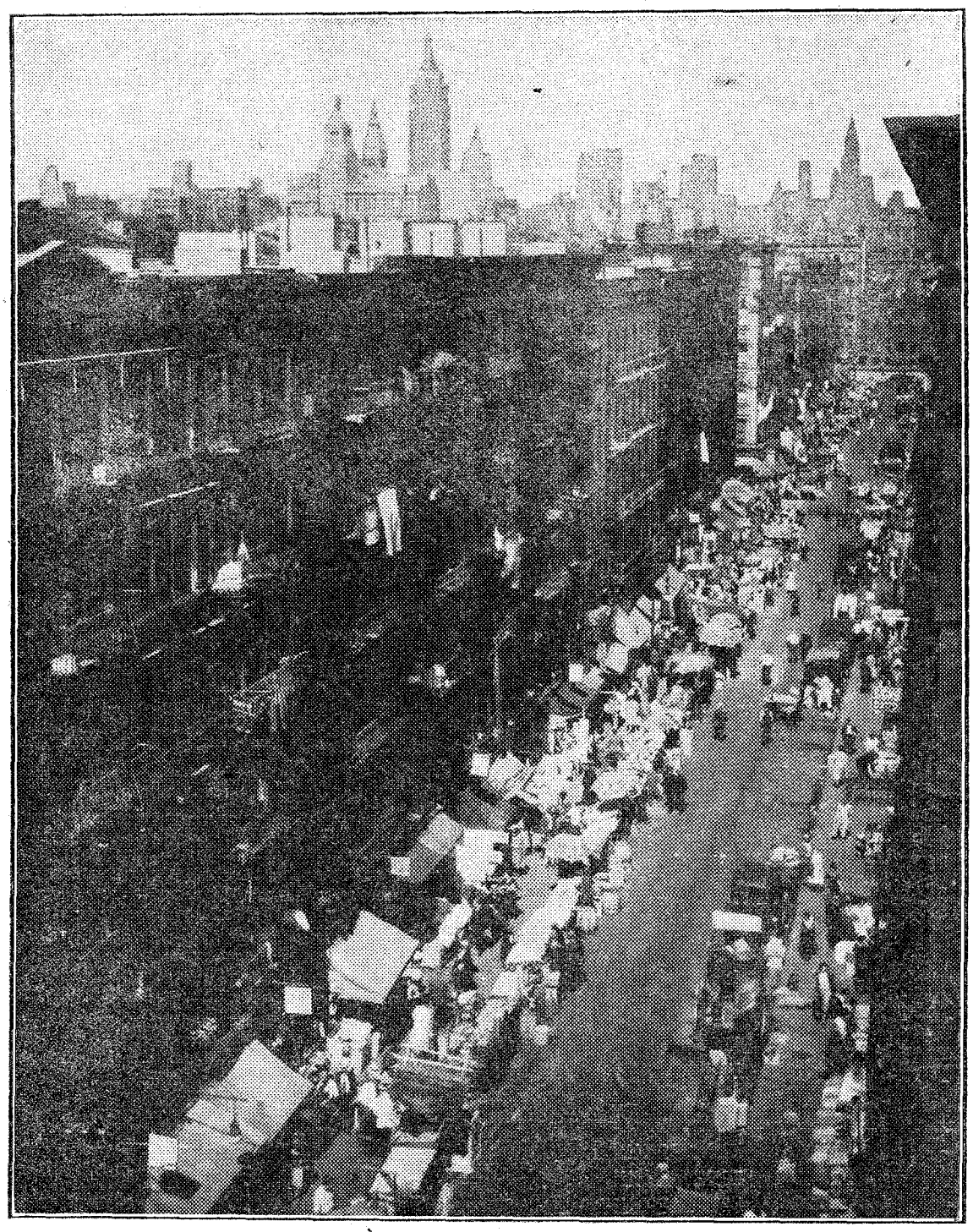
Propaganda Mill Follows Censor

On March 29, 1933, "there was introduced into the House of Representatives . . . *House Bill No. 4220*, which provided a fine of $10,000. and 10 years imprisonment for any publisher who dared to print any article concerning our government which was not passed as matter for publication . . . the bill passed the House, but that section relating to publishers was stricken out in the Senate" (Senator Thos D. Schall, June 16, 1934, Congressional Record, 73rd Congress second session).

Neither the people nor their representatives in Congress are permitted, as formerly, to go through the United States Treasury vaults in Washington, D. C.

The late United States Senator James Couzens of Michigan, said that:

"More dishonest statements, misstatements, if not absolute falsehoods, have been handed out at the Treasury Department of the United States for the purpose of misleading the public than were ever issued by a public department in my recollection of government."



"As long ago as 1870, 2 per cent of our population owned 70 per cent of the wealth of America . . . In the best times, before the man-made depression, 70 per cent of our population was living on the bare necessities of life. Pictures by Ewing Galloway.

Vital Facts Kept From the People

On May 4, 1933, Hon. Louis T. McFadden, said on the floor of the House of Representatives:

"We know from assertions made here by the Honorable John N. Garner, the present Vice President of the United States, **that there is a condition in the United States Treasury which would cause American citizens, if they knew what it was, to lose all confidence in their government**" (Congressional Record, 73rd Congress first session).

Speaking in the House of Representatives, May 4, 1933, McFadden, former chairman of the House Banking and Currency Committee, said:

Depression Follows Careful Plan

"Someone asked Mr. Ogden Mills what caused the depression. He answered quite truthfully. 'The Federal Reserve lent so much money abroad that it broke down the system.' Mr. Chairman, those who have lost everything they possessed through the evil practices of the Federal Reserve Board and the Federal Reserve Banks should at least be told the truth about what and how it happened . . . that the Federal Reserve Board and the Federal Reserve Banks paid the dole in England, and are still paying it, and that is the reason why the resident agents of England in this country have cut the pensions of the United States soldiers $400-million a year."

How many American people know of these things? How many of our people (outside the readers of SOCIAL JUSTICE) are aware that this depression was man-made; that it was deliberately planned and is being carried out to gather in the accumulated property of the people, that the Federal Reserve System is an instrument of exploitation through which this is being done, that the gold seized from the American people by the government under the pretense of its nationalization, is not in fact the property of the American people, since it was turned over to the Federal Reserve Banks, a private corporation; that this gold while ostensibly in the public treasury is actually being transferred to Europe, to the Bank of the International Settlements, where, as the Hon. Louis T. McFadden of Pennsylvania, pointed out in the House of Representatives, May 4th, and May 29th, 1933, and January 24, 1934, because of the terms of the agreement under which the Bank of International Settlements was set up, the American government will no longer have the power to reposses that which it has taken from the people.

In the February 5th, 1936, issue of the Washington Herald, we read:

Gold Flows Out

"These announcements came as Congressional inflationists demanded payment of the bonus in printing press currency and European [illegible] for the second day drew on the Treasury's gold supply because the price of the dollar has dropped abroad due to inflation talk.

'Outflow of gold that began Monday jumped to $12,855,000 yesterday when Secretary Morgenthau approved licenses for shipment of $7,250,000 more to Europe. Of this, $6,750,000 is destined for France and $500,000 for Holland, both gold bloc countries.

"President Roosevelt declined to comment on the sudden turn of gold from American shores **except to say that he thought it would do no harm. . . .**

"Treasury experts believe that further drain will be made on the $10,180-million gold supply in this country. **Secretary Morgenthau indicated that no effort would be made to stop the flow for the time being at least."**

Profits Woven By Golden Shuttle

More than this, how many American people (outside of SOCIAL JUSTICE readers) know that American gold was shipped to Europe in 1930, 1931, and 1932, when it was valued at $20.67 an ounce; then, when the New Deal revalued it up to $35 an ounce, it was brought back to the United States and sold at the higher prices, netting international bankers hundreds of millions of dollars on the transactions through such a temporary transfer from abroad. At the same time, it has been pointed out that the government is using taxpayers' money to purchase gold from Russia at $35 an ounce—gold mined at from $1 to $3 an ounce.

Finally, how many of our people know that, despite government expenditures of public funds to purchase gold abroad, of the $10½-billion so-called American gold supply, less than half a billion is the property of the American people, the balance having been turned over by

(Continued on Page 10)

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Bishops Tell Inside Story Of Civil War

(Continued from Page 5)

"The reaction against the civic-military rising is thus a counter-attack, certainly, by forces loyal to the government, but above all it is a fight in partnership with the forces of anarchy. Russia has grafted herself onto the governmental army, as the whole world knows, taking part in its commands; and she aimed really, whilst preserving the appearance of the People's Front government, at implanting the Communist regime through the subversion of the established social order. And the Communist revolution, allied to the government armies, was above all anti-religious.

Military Rising Check on Anarchy

"The civic-military revolt was in its origin a national movement of defense of the fundamental principles of every civilized society; in its development, **it has been one of defence aganst anarchy bound up with the forces at the service of a government which could not or would not guard those principles.**

"Before the revolt broke out there had arrived from Russia 79 specialized agitators. **The destruction of the churches or of their furniture was systematic; within a month all the churches had been made useless for public worship.** 'Black lists,' previously drawn up, gave in some cases first place to the bishop's name."

Terrible details are adduced by the bishop's letter, following a computation which puts the destroyed or totally plundered churches and chapels at about 20,000, and gives 6,000 as the number of the murdered secular priests alone. As to the laity murdered, for their political, and especially for their religious ideas, their total is calculated as exceeding 300,000.

More than 22,000 persons were murdered in Madrid alone during the first three months. Without accusation, without proofs, mostly without trial, hunted and in many cases horribly tortured, the best men of the Right have been eliminated.

Ruin Surpasses Barbarian Invasion

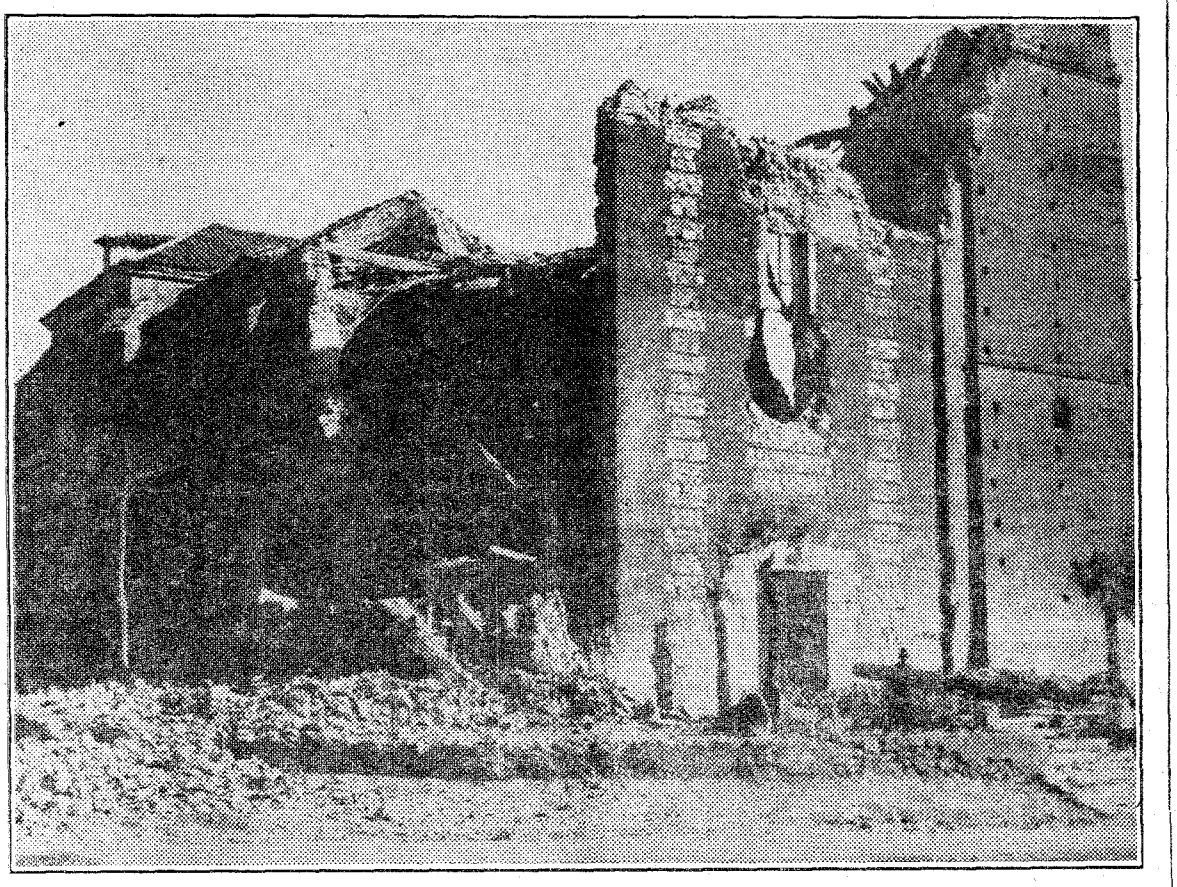
"The revolution was "barbarous," inasmuch as it dstroyed the civilizing work of centuries. It destroyed also thousands of works of art, many of them of world-wide reputation. It plundered or burnt archives, making historical research and the instrumental proof of facts of a social and juridicial order impossible. There remain hundreds of slashed canvasses, mutilated sculptures and architectural marvels, destroyed forever. **No war, nor any barbarous invasion nor any social commotion, in any century, has caused in Spain a ruin to compare with the present.**

But, above all, the revolution was anti-Christian. "We do not believe," the letter continues, "that in the history of Christianity and in the interval of a few weeks there has occurred such an explosion of hatred in all forms of thought, will, and passion, against Jesus Christ and His sacred religion." Anti-religious outrages and profanations in many forms are referred to in proof of this stern indictment.

The Spanish Hierarchy firmly believe the movement to be fairly deemed "National."

The Spanish Hierarchy contrasts the situation in those regions, where the National movement has prevailed, with that of those still held by the Reds.

Spain's Church Destruction Systematic



Churches were burned because they were the House of God and the clergy were slaughtered because they were the Ministers of God." (Brown photo.)

Nation's Poverty Result Of Man-made Depression

(Continued from Page 9)

the government to the Federal Reserve Banks, a privately owned international banking corporation, which pays no taxes in the United States, either state or national, except on real estate.

Private Millions For Cost of Printing

Approximately $17-billion worth of government bonds, bearing interest at approximately 4 per cent, are in the possession of the 12 privately owned regional Federal Reserve Banks and member banks; that stupendous sum, collecting an annual tribute in the way of interest of approximately three-quarters of a billion dollars from the taxpayers of the United States yearly, was acquired by the 12 regional banks merely by a bookkeeping entry and without paying one penny to the United States in exchange therefor.

Furthermore, do our people know that against these bonds, upon which they are continuing to pay interest, the United States Bureau of Engraving and Printing prints for these 12 regional Federal Reserve Banks, and member banks, currency for the mere cost of the engraving—an average of about 30 cents per thousand dollars?

Ford Still Looks For Prosperity

We have reason to hope for times better than those before 1929. In January, 1936, Henry Ford was asked whether he thought prosperity was returning. He replied:

"This country has never known prosperity. All that is still ahead of us. We say we are rich, but we have never yet produced enough of anything to properly supply any need, except possibly food. The real period of sufficient production and adequate distribution is ahead."

Thoughtful people everywhere no longer accept the usual explanation that recurrent depressions with their consequent lowering of American standards of living are the inevitable results of "recurrent economic cycles."

America has reached her present low estate **through a man-made depression which could have been prevented.** At least two out of every three of our people are compelled to live below the poverty line or barely above it. President Roosevelt has stated that the people of the United States are really living on what is called a third-class diet. And yet the experts of the government and of Wall Street have admitted that from $5,000 to $10,000 per year, on the average, is actually available in income for each family in America.

Must Abolish Minority Rule

For the last three-quarters of a century, the platforms of our great political parties have promised to restore agriculture to economic equality with industry and to guarantee the farmer the cost of production plus a profit. Even as recently as 1932, the presidential candidates of both great parties promised the American people a more abundant life, and a more equitable redistribution of the national wealth.

Now these facts and this information should be generally known. They are compiled in this book for two reasons: First, for the information of the public at large; and secondly, in keeping with the suggestion made by the President in his 1936 Jackson Day dinner address, **to enable every individual to be informed in order that he may appoint himself as a "committee of one" to get the facts to the people,** and that they may be warned in time to take appropriate action at the polls.

There is one issue: "Shall minorities rule the American majority? Shall a few persons be permitted to destroy those principles of government which made the Republic great, or shall America, be owned, ruled and controlled by the 130 million people who inhabit it?"

Individual states cannot settle this vital problem. It is essentially a national issue—the determination of whether or not Americans shall be economic slaves or masters in their own house.

Never before in the history of our country has it been so necessary to exercise intelligently the rights of citizenship, and know what those rights are.

Munitions Ship Sit-down Threat Of C.I.O. Union

WASHINGTON, D. C. — Ralph Emerson, of the National Maritime Union predicted that the freighter "Wichita," which sailed from Baltimore recently with bombing planes and barbed wire for China, would "never get past Manila."

The leaders of the C. I. O. said they would call a sit-down strike on shipping carrying war products, if necessary, to prevent them from reaching either China or Japan.

Whether President Roosevelt will again use the C. I. O. as leverage, and thus unofficially "enforce" the American neutrality law without formerally invoking its penalties, remains to be seen. Thus far, the President has refused to invoke the act on the ground that legally no war exists!

The "Wichita" was to call at San Pedro, Calif., before sailing for Manila and China.

EYES *and* EARS

(Continued from Page 4)

en their steady trend toward ultimate despotism.

The drift in America for nearly a century and a half, until 1929, had been constantly toward the pole of ideal liberty.

Only since the advent of the New Deal has the drift reversed its direction.

The amazing concentration of hitherto dreaded powers in the federal government is an unmistakable evidence of the growing power of the state and the lessening freedom of the average man and the minority group.

That the drift is impelled by powerful forces is indicated by the continuing demand of the most widely popular (and therefore the most potentially influential) president we have ever had, that he, personally, be given greater and more fundamental powers.

* * *

Our president is using the modern technique in "selling" the masses on his right to rule. He talks in strictly American and strictly Constitutional terms (of course) about the Communist's dream—the rule of the proletariat.

The one last barrier that stands between him and the power of a Stalin is the Supreme Court. That out of the way and, whether they think so or not, the American people individually and collectively are his subjects as truly as the Russian mujik was the subject of the Czar and is the subject of Stalin.

It must be so — the more powerful the state grows the less freedom its people enjoy.

* * *

Whose fault is it that today's trend in this country is away from the pole of liberty? It is partly the president's fault and partly the fault of a substantial (and probably temporary) majority of the citizens.

The president has shown himself to be out of sympathy with the republican ideal of liberty fostered by the founding fathers, when he sought a degree of power that would disturb the balance of powers set up in the Constitution. Washington, it will be remembered, stamped any "faction leader" who might arise to destroy this balance of powers as an "usurper."

But the fault lies equally with the people.

Liberty presupposes self-sufficiency. Liberty is only for people who can stand on their own feet and who are willing to make any sacrifice of merely temporal things that the eternal thing, liberty, may not be lost.

When the people, as millions undoubtedly did, voted solely for a continuation of "government support" they voted for a continuation of debt and doleism—the snares of the despot.

That is what the great mandate really meant.

Free-spirited people do not give their mandate to an administration so that it may take care of them at any cost —even of their liberty.

Free people, in a time of crisis, rather challenge their leaders to correct the evils which are beyond the reach of the individual.. That right to challenge is the prerogative of free people and by no stretch of the imagination can it be construed as a mandate to undermine and destroy the free institutions which make possible the expression of the popular will.

* * *

There are two alternatives in human government—autocracy and freedom.

Peoples are eternally drifting toward the one or the other—as toward the poles of a magnet .

Throughout history peoples of high culture, of progressive spirit, of daring enterprise, have invariably been drawn to the pole of freedom.

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Nation's Labor Press Supports A. F. L.

Wins Friends As Radicals Go to C.I.O.

By the Labor Editor

The poorly conceived and ill-timed effort of John L. Lewis to disrupt and destroy the American Federation of Labor, because he could not be its president, has caused a renaissance within that organization that has amazed even its own officers.

While financially, the A. F. of L. has felt the curtailed income of the boys who deserted to join the C. I. O. bandwagon, the withdrawal of irresponsible radicals from its ranks, to flock to the "hotter" action of the C. I. O. strike front, has purged the ranks and brought to the parent organization a new responsibility as the leader of American labor.

The labor press of the nation is now supporting the A. F. of L. generously, although lukewarm in the early days of the C. I. O.

Membership Policy Broader

This comeback of the A. F. of L. is aided by the fact that it has broadened its policy, permitting unions to take in non-craft labor. Moreover, many employers are now willing to sign up with the A. F. of L. as reaction has set in against the C. I. O., due to its communistic inception and leadership.

Herewith are recent comments of leading labor papers:

Tacoma (Wash.) Labor Advocate—The state federation of labor convention was a notable gathering of delegates from the trade union movement. It was more than that: it was an open forum where every delegate, whatever his views, might freely express them. Our own view of the convention was that it was too unanimous. Some opposition is often healthy When the activities of "the borers from within" make opposition suspect, every person will present a united front against the attempted destruction of the labor movement.

United Labor News, Canton, Ohio—The leaders of the American Federation of Labor from the date of its inception more than half a century ago, have made their fight for the workers along constructve lines with a view of permanency. The great advances of labor are credited to the sane guidance of this organizaton. It may have made some mistakes, but it has never sanctioned or condoned crime among its membership. It will stand as the legitimate organization of American labor long after all dual organizations have been forgotten.

Federation News, Published by Chicago Federation of Labor: John L. Lewis wanted to rule the A. F. of L. and when that privilege was denied him, he proceeded as he fondly hoped, to ruin it and when he witnessed its re-birth to greater numerical strength and stability, he sought to revitalize his dwindling dreams of industrial greatness, by turning his C. I. O. into political channels to realize his desires.

C. I. O. Cannot Be Permanent

Union Labor News, Boston, Mass.: What has been the policy of organized labor under the A. F. of L. ever since its inception is still in full force and effect, and to use means taken by organizations making part of the C. I. O. as a reason for the establishment of laws to curb bona fide trade unions is unfair, and must be fought with all the power at our command.

Sponsors of this class of legislation know, and should, if they don't, that the C. I. O. is not, and cannot be, a permanent fixture as an organization of working people. Its principles are unsound, and its entire structure is such that this organization which, as the result of new methods, took unorganized workers by storm, will go the way of others, which during the past 40 years attempted to destroy established organizations of labor.

Labor Declares War on Ford

Vociferous enthusiasm attended the unanimous vote at the Milwaukee convention to pledge 400,000 members of the United Automobile Workers to an assessment of $1 each, to raise a special "war chest" for a concentrated organization campaign among Ford Motor employes. Wide World Picture.

U.A.W. Has Half Million In Chest to Fight Ford

The certified financial report of the United Automobile Workers, submitted to the 1,500 delegates at the recent Milwaukee convention, showed receipts of slightly more than a million dollars, in dues, contributions and donations, since April 1, 1936, when the first convention was held.

Of this amount $947,500 was received in the first six months of 1937.

The largest sources of income were the local unions chartered by the international organizations. Members of the local U. A. W. unions contributed to the C. I. O. at the rate of 37½ cents out of every dollar collected per month. Furthermore, one quarter of the initiation, which may amount from $2 to $15, is also paid to the C. I. O. treasury. Altogether, dues and initiation fees brought $720,775, the report showed.

Donations from other C. I. O. unions increased the U. A. W. treasury as follows:

United Rubber Workers, $7,305.

United Mine Workers, $2,580.

Amalgamated Clothing Workers, $10,150.

International Ladies Garment Workers Union, $5,000.

Officers Salaries $94,723 a Year

The largest single item of expense to the union was the salaries to general officers, organizers and employes. These amounted to $94,723. Homer Martin received $1,557 for the first six months as salary and $3,281 for expenses. Other U. A. W. salaries were in proportion.

During the convention, Martin's salary was raised from $3,000 to $5,000 yearly. The other six officers' salaries will be increased from $3,000 to $4,000 yearly and members of the executive board instead of getting $8 a day while in session and while organizing, now will receive a yearly salary of $3,000.

Legal fees took $26,200 out of the treasury in the last six months. Maurice Sugar, the U. A. W. attorney, would seem to be doing right well.

Other items are listed:

Hospital expense and medical fees from strike violence	**$ 2,350**
Telephone, telegraph, postage and express	**16,800**
Supplies, stationery, badges, etc.	**72,000**
Donations to help other strikers	**100,000**
Educational program	**12,000**

Half a Million To Fight Ford

Total disbursements amounted to $518,711 leaving a balance of $428,788 to wage the promised war on Henry Ford.

From the above report, it is impossible to ascertain just what the cost of the union's battle with General Motors and Chrysler amounted to. It is conservatively estimated that it cost over $4-million to win the agreements that the U. A. W. now has with some 400 manufacturers in the automotive industry.

This cost was extracted from the pockets of the working men and women who are now part of the union movement. In some cases, a 5 or 10 cent per hour wage increase was obtained after several months idleness. In other cases, no increase was obtained as in the case of "Little Steel." In the meantime, the cost of living has advanced steadily entirely off-setting and invalidating the raise received.

If labor would strike against an unjust money system that is at the base of all the difficulty and which reduces workers to economic bondage just as much as the slaves of old—instead of for an empty 5 or 10 cents per hour wage increase—it could obtain economic liberty and emancipation.

Labor Highlights

WASHINGTON, D. C. — Stenographers of the National Labor Relations Board—created by Congress to improve conditions for workers—have been working 60 to 70 hours a week following the flood of business that poured in after the Supreme Court upheld the Labor Relations Act. Benedict Wolf, secretary of the board, has asked for an additional $15,000 appropriation to hire help.

CHICAGO, ILL.—Dr. Willam M. Leiserson, chairman of the National Railway Mediation Board ran into a deadlock in his effort to negotiate a wage agreement between the nation's major railroads and the "big five" operating brotherhoods. Some 250,000 railroad employes throughout the country had asked for a flat 20 per cent increase in pay. The railroads say their income does not permit such a pay increase.

ST. LOUIS, MO. — Twenty-five hundred employes of the giant Liggett & Myers Tobacco Co. plant recently pulled a stay-in strike caused by the hiring of five Negroes who were non-union members while older union men, previously laid off, were available. Seventy workers, including 22 women, stayed in the plant all night, getting what sleep they could on benches.

AKRON, OHIO.—The United Rubber Workers Union, a C. I. O. affiliate, won an election to determine sole bargaining agency in the plants of the B. F. Goodrich Rubber Co. by a vote of 8,289 to 834.

ATLANTIC CITY, N. J. — American Federation of Labor membership gains in the textile industry were reported by President William Green to the executive council. He stated that more than 12,000 southern textile workers and 5,000 New England textile workers had requested admission to the A. F. of L. and were through with the C. I. O.

Dubinsky Union Is Sued for $700,000

ATLANTA, GA. — Seven women workers have sued the International Ladies Garment Workers Union, headed by David Dubinsky, the Textile Workers Organizing Committee, and five local and regional officers for $700,000.

Seven separate petitions were filed by the women who charged that they were maliciously ousted from Local 122, without a hearing, and finally lost their jobs.

Through their attorney, they stated "the democratic form of labor organization has been destroyed and the right of the worker to earn an honest livelihood is at the mercy of the heads and officers of the associations."

The petition further stated "that the individual defendants have been for many months running the unions and directing the activities of members in a manner that is little short of being dictatorial, making contracts with employers without even consulting the workers as to their wishes or desires, calling strikes at their individual will without obtaining a strike vote from the workers and expelling members without filing charges or having a trial."

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Farm Aid Hinges on Crop Control

Farmer Gets No Help from 75th Congress

Forget Crop Control And Get Back Our Market From Abroad Is Plea Of American Producer

By the Farm Editor

It used to be "no taxation without representation!"

Now it's no federal money without presidential control.

In other words, none of the taxpayers' money can be even "loaned" to farmers unless they pledge to raise only the kind and amount of crops suggested by the President and his Secretary of Agriculture, Mr. Wallace.

The 75th Congress commenced its first session on January 5th. From that day, until its adjournment recently, four acts of Congress were passed which directly affect the farmer: the farm tenancy bill, the farm forestry bill, the continued low interest rates on farm loans, and the reciprocal trade agreements act.

Have Low Score On Farm Aid

The low interest rates on farm loans, continued despite the President's veto, and the farm tenancy bill, will be of assistance to the farmers whom these bills affect. The renewal of the reciprocal trade agreements, authorizing the President and Secretary of State Hull to make treaties with foreign nations for the purpose of increasing their exports to the United States, will bring greater injury to the American farmer, than the previous acts will aid him.

That is the Congressional score on farm legislation since January 5, 1937. The President has even a lower score on farm aid, as he tried to kill the most favorable farm bill passed this session, while encouraging the renewal of the costly reciprocal trade agreements.

Now that the session has ended, the cries for farm help are heard in the national capital. It is rumored — unauthoritatively — that secret plans are being made for special legislation to help the farmer.

Exact Pledges As Aid Condition

Secretary Wallace announces that "If farmers are to get loans on this year's production, it is absolutely necessary that Congress pass farm control legislation at this session or come back before January."

The President repeated his adamant ultimatum: **federal loans to only those farmers who will pledge to comply with the crop control program to be enacted at the next session.** He seems certain that his program of crop control will be enacted.

The farmer considering the legislative accomplishments of the session just completed, has good reason to question the value of a special session of Congress at the cost of perfectly good tax money. He feels safer when Congressmen are at home.

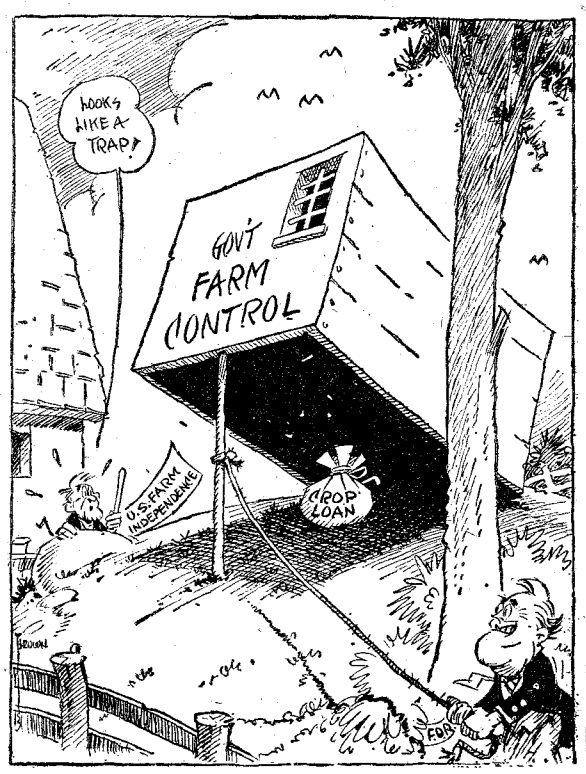
He is thankful for the bumper crops now being harvested. But there are several things which he wants done for the betterment of the farm situation **and he doesn't mean crop control.**

The dust bowl hasn't seen signs of a crop for many years.

Farmers are still losing their homes at the rate of 40,000 a year.

And crop reduction, while it may bring higher prices, does not make for well-laden tables.

The chief observable benefit is to foreign farmers whose imports replace our old farm market.



All Baited and Everything
—New York Herald Tribune

DON'T YOU THINK WE SHOULD BE CONSULTED ABOUT SUCH THINGS?
BUMPER CROPS ELSEWHERE
U.S. CROP CONTROL PLANS
COMMERCE
MOTHER NATURE

He Can't Afford to Ignore Them
—Christian Science Monitor.

Analysis of Reciprocal Treaties Shows Plan Was Fatal for U. S.

Imports Now Exceed Exports by $956-Million; 29 Countries Profit At Our Expense

The people of the United States have begun to serve their second three-year term under the handicap known as the reciprocal trade agreement plan for stimulating exports.

The plan, sponsored by the State Department, has converted our favorable trade balance of $478-million in 1934, to an unfavorable balance of $956-million in the first four months of this year. And all, says Francis P. Garvan, president of the Farm Chemurgic Council, for the benefit of our chief debtor, who already owns all the diamond mines in the world, nearly all the gold mines in the world, the controlling interest in the tin, nickel, manganese and rubber cartels, a large part of our chemical industry, and wields an enormous power over our major industries.

If a marble group, continues the writer, depicting a lion devouring a donkey, were to be placed before the Department of State building in Washington, it would commemorate fittingly the renewal for a second three-year period of the Reciprocal Trade Agreements Act, effective June 13.

Chained Farmer Completes Picture

To complete the symbolism, there should be included the figure of a farmer in chains, powerless to prevent the consumption of the great American jackass by the ever-ravenous British lion.

When the House Ways and Means Committee conducted its hearing on the proposed reciprocal trade agreement act in the spring of 1934, Francis B. Sayre, assistant to the Secretary of State, testified. He exhibited a chart on which 29 countries were designated, not by name, but by number. By the side of each number was listed a certain unnamed number of articles for which that country was said to be the leading source of supply.

The State Department desired Congressional authority for making concessions to these countries and for reducing tariffs up to 50 per cent on the articles we import from them. In return they were to cut their duties on certain goods and raw materials which we wish to sell in their markets. Under the most-favored-nation agreement, a concession made to one country would be applicable to all others.

A member of the committee asked Mr. Sayre to designate the countries by name instead of number, and to specify the articles they produce on which we propose to reduce the tariff.

Secrecy Necessary To Whole Scheme

Sayre declined. He could whisper that information to a few members of the committee, but he would not put it in the record. **To do so would upset the whole scheme.**

It would have done just that. **The protesting blast that would have ensued from American agricultural producers and industrialists, would have had the effect of a cyclone loosed upon the State Department.**

For the State Department was proposing reduction on virtually every manufactured article or raw material brought into the United States. **Not one farm or factory was to be left with existing protection from underpaid foreign labor.** The act was passed precisely as the State Department wished. It has been in operation for three years!

The scheme works in this manner:

When a trade agreement is in process of "negotiation," the State Department meets with foreign officials and business representatives, concessions are made and then after the agreement is fixed, a farcial "hearing" is held and American business is informed of the terms. Protests are of no avail. The agreement stands as projected.

For example: A trade agreement with Great Britain was recently discussed. Walter Runciman, president of the British Board of Trade came to Washington and received from the President a list of articles on which "we" were ready to reduce the tariff up to 50 per cent. Runciman then returned to England, carefully examining each item with the advice of British trade experts, industrial leaders and the Dominion premiers.

Meantime in the United States, the articles on the list were carefully withheld from our producers. They were left to wonder in what stocks or commodities they dare invest if the tariff barriers on made-in-England wares were to be removed.

British Boast Of Advantage

The Canadians agreed only to admit the United States to the status of "most-favored-FOREIGN-nation."

Thus if the State Department reduces the duty, up to 50 per cent, on any article and with respect to any country, Canada, the British Empire and all other countries with which we have trade relations may benefit equally. But under the Ottawa agreements, Canada, as a unit of the British Empire, may make concessions to other units of the Empire which do not apply to us. In this case, we become merely the "foreign" nation, the barbarians beyond the imperial pale.

An editorial in the London Economist frankly says:

> "It is fully possible that Great Britain has already gained more from the concessins made by the United States and her treaties with other countries than could be obtained in a direct Anglo-American treaty."

The story of these reciprocal treaties in figures shows that in 1934 our exports to "agreement" countries were $28½-million more than our imports. In 1935 the exports amounted to $62-million less than our imports, and by 1936, our imports from "agreement" countries exceeded our exports by $136,292,000. The treaties in three years reduced our favorable balance of trade with all countries by $443,487,000.

During the first quarter of 1937, our imports from all foreign countries amounted to $113,958,000 more than our exports.

Bankers Cry 'Inflation' to Collect Gold

(Continued from Page 1)

showed that in the preceding 12 months they had furnished the American newspapers and other publications with more than 5,000 articles and editorials, and the editors, who are largely as ignorant of the truth about money and banking as the average layman, had to print them, "or else."

To give a specific instance of just how this propaganda works out, let's examine a recent instance. There has been in the papers for a year or more a lot about our treasury buying gold all over the world at $35 per ounce, and storing it down at Fort Knox, Kentucky, and a lot of loose publicity about the probability of "inflation" and amateur philosophizing about what will happen to this immense store of gold, and what would happen to our money if we quit buying it.

The most remarkable thing about this campaign of propaganda is that **the U. S. Treasury hasn't bought any foreign gold at all.** Europeans who expected a rise in the price have been vigorously buying our American securities. For some time they were almost the only buyers. They are still the principal buyers, due not only to the belief that we are due for a period of prosperity, but also due to the war scare over the whole of Europe.

Foreign Gold Buys U. S. Stocks

This wholesale purchase of our securities was paid for in GOLD. That is where all this foreign gold came from.

This foreign gold was shipped to New York banks through whom payment for these securities was made. These banks, under the law, could not hold this gold but had to deliver it through the Federal Reserve Banks to the U. S. Treasury. For some months the treasury issued treasury certificates for it—"warehouse receipts." These gold certificates placed to the credit of the reserve accounts of the banks produced an excess reserve, that is to say — the banks then had some real money in excess of the shoestring they are permitted to operate on, under the laws which they have from time to time induced a subsidized and intimidated Congress to pass.

A great cry of "potential inflation" went from all corners of the country. Strange as it may seem this bombardment of imminent inflation talk was originated by the bankers themselves.

They saw this gold continuing to flow to them, and as they did not want to loan it out when it might be called back to Europe unexpectedly, they were not making any profit on it. So, after getting the public all excited over the possibility of "disastrous inflation" they sprang the scheme they had been some months figuring out.

They induced the treasury to pay them interest on it!

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The People Speak . . . .

Reader's Challenge To Catholics

To the Editor of SOCIAL JUSTICE:

Being an earnest seeker for truth, I have for the past seven or eight years, been studying Catholic doctrine, the Pope's encyclicals and more especially have I been interested in Father Coughlin's work of social justice, but it is very hard for me to reconcile the doctrines and general teachings of the church on all questions concerning the general good of humanity with the general attitude of Catholics regarding the work and teachings of Rev. Chas. E. Coughlin.

As far as I am able to comprehend, he has for the past seven or eight years, been trying to put in action the desires and wishes of the Holy Fathers. If the present Holy Father doesn't condemn him, what authority have Catholics to do so, if you believe as the church teaches, that he is the head of the church on earth?

Do you know of any other man who has ever spoken to the American people as Father Coughlin has, without hypocrisy and without cowardice?

Do you know of any other man who dares to uncover the conditions in this community which are gradually leading us to destruction?

Are you who claim to be "one true church" going to be divided by the truth of your own church?

Are you so full of nice stories **ABOUT** Christ Jesus our Lord that you cannot hear His voice when He speaks? Outside of the work of social justice, Father Coughlin is steadily breaking down the walls of bigotry between all religious organizations and haven't they existed long enough?

Can Catholics afford to reject the teachings of a God called, God sent man, who is the product of their own church?

—A Non-Catholic.

Spencerport, N. Y.

Autobiography Of An American (1980)

To the Editor:

Even before I was born, my family was on relief. As early as 1932 my father applied for and was found eligible for the dole. In 1934, when I was born, my family had been home relief subjects for two years, receiving $11.40 bi-weekly.

As I write this in 1980, at the age of 46, in my prime and receiving $3.55 bi-weekly, I can look back with pride at the family record, or as the investigator calls it, our case-history. Since first admitted to relief, neither my father, brothers nor myself has ever worked in private industry, an institution which existed during my father's youth. We have a maternal uncle who runs a small private business in Chicago, but he is considered an outcast and my family would not relish my frankness in admitting this.

I do not wish to claim any honor for our long and honorable association with relief. It was merely a matter of growing older. At the age of 5, I was worth $2.15 bi-weekly; at 10, $2.60; at 12, $3.30, and at 16, $3.55, etc., etc., etc.

In our precinct we are the family longest on relief rolls and our investigator has told me that our case history occupies an entire six-foot file. This contains the record of every visit made by an investigator since that glorious first visit in 1932, down these 48 years to the present. Even after the distinction between employable and unemployable members was abolished in 1940 because there was no more private employment possible, my father has refused to take advantage of the consequent permission granted to members of families to be absent on visiting days. In 48 years he has been home on every visit of the relief investigator.

Strange as it may seem, I have never married. In my youth I loved a girl, but my father forbade the match when he learned that her family was on work relief. "Work relief is work," he said, with his decisive simplicity.

In two years, we shall celebrate our 50th anniversary as subjects of the home relief bureau. We expect to have a dinner planned by the precinct nutritionist which will cost 89 cents for eight people, and our investigator will present my father with the cancelled stub of the first voucher ever given to our family in 1932.

There will be a tableau in which my father and some friends will play the parts of independent business men as they lived more than 50 years ago.

—John Sulksky.

New York, N. Y.

Honor Perilous In News Trade

To the Editor:

The following is a quotation from Page 28 of "Rebuilding a Lost Faith" by John L. Stoddard. John Swinton, a New York editor, addressing newsmen during an annual dinner of the New York Press Association said:

"There is no such a thing as an independent press in America, if we except that of little country towns. You know this and I know it. Not a man among you dares to utter his honest opinion. Were you to utter it, you know beforehand that it would never appear in print. I am paid $150 a week **so that I may keep my honest opinion out of the paper for which I write.** You, too, are paid similar salaries for similar services. Were I to permit that a single edition of my newspaper contained an honest opinion, my occupation, like Othello's, would be gone in less than 24 hours!

"The man who would be so foolish as to write his honest opinion would soon be on the streets in the search for another job. **It is the duty of a New York journalist to lie, to distort, to revile, to toady at the feet of Mammon, and to sell his country and his race for his daily bread,** or what amounts to the same thing, his salary. We are the tools and the vassals of the rich behind the scenes. We are marionettes. These men pull the strings and we dance. Our time, our talents, our lives, our capacities are all the property of these men; we are intellectual prostitutes."

What I say is: Thank God for SOCIAL JUSTICE, our own weekly news review!

—Albert Neilson.

Brooklyn, N. Y.

Congratulates Contest Winners

To the Editor:

I had boasted with enthusiasm that if I didn't know social justice as proclaimed by Father Coughlin, nobody did, but when the **"KNOW SOCIAL JUSTICE" Contest** was over, I did not stand so good in knowledge as I had expected and was disappointed with myself beyond description.

I, too, like Robert A. Buell and his mother-in-law, was an enthusiastic worker for social justice, studied and tried to come out on top. May I have the honor to express my sincere congratulations to those intelligent social justice contestants coming out on top.

It requires meekness, patience and diligence to instruct masses not so mentally endowed under all the circumstances I have mentioned. I will not give up the battle for social justice. I shall try my knowledge again in the **"KNOW AMERICA" Contest** to help fight against social injustice now confronting our good United States of America. I hope all contestants who met the same conditions as I did will join again to make the next contest a perfect success.

A Lover of God and Country.

Sheboygan, Wis.

Doesn't Agree With Judges

To the Editor:

This is to call your attention to the obvious "botch" that the judges made out of the otherwise interesting social justice contest. I am hoping that your paper will have the courage to admit publicly that the judges were all wet.

I put it down to your inexperience with contests. The way to run a contest is to decide the answers before the thing starts, put them in a safe, and then begin. At the end, print the right answers **immediately** and then the contestants are satisfied.

If there was no right answer to puzzle No. 1, the contest was unfair. If there was, as is obviously the case, the judges were dumb.

You will find a terrific let-down in contestants in your new contest, for I will be only one of the hundreds who will drop out because the thing is a guessing game, not a game of skill.

—James P. Fitzgerald.

Albany, N. Y.

Who Would Run Industry?

To the Editor:

The union is right in its campaign for better working conditions for the laborer and in its struggle for a living annual wage. But when the accepted leader of a union movement will boastfully say: **"We industrial unionists are going to take over the industries some day for three very good reasons: because we need them, want them, and have the power to get them,"** or announces that if one company does anything to interfere with a strike in Canada, it **"will never build another motor car in this country,"** there has developed in place of a desire to improve and reconstruct industrial conditions the intention and will to annihilate and destroy not the evil practices of the industrialist, but industry in its entirety.

The following questionnaire is worthy of consideration by those workers and government administrators who would "liquidate" such industrialists as Henry Ford, Walter P. Chrysler, William F. Knudson. . . .

Who will take the place of the present employers of industry? Will it be John Lewis? Sidney Hillman? The Reuther brothers? William Z. Foster?

Will he give the workers and the present unemployed jobs?

When he provides the jobs, will he be an "easy boss?"

Will he divide the profits with the workers?

Do these men possess the executive ability to create, to construct, to carry on a business, to as great an extent as they possess the ability to wreck and to destroy?

Are they builders, or just wreckers?

Can they meet a payroll as well as they can levy tribute upon one?

Are they equally expert at creating and maintaining jobs, tasks at which to labor, as they are in destroying them?

Will the worker employed by Lewis or Hillman have as much to say about collective bargaining as he does now (nothing) as a member of the C. I. O.?

Will the methods now used toward non-union men to get them to join the C. I. O. be adopted for use against Lewis employes should they desire to assert their independence?

Will the "beef trust" unit of the Communist party used in certain sections of the country to browbeat non-union members into signing-up, be called out of being, or will these huskies remain on the scene just to keep the boys in line?

After businesses have been wrecked and destroyed as they are now being, will Lewis step in and give the men jobs and a living annual wage?

Will Miss Perkins?

Will the President himself?

Will Governor Earle of Pennsylvania, or Sidney Hillman of New York?

—Inquiring American.

Washington, D. C.

Contest Winners' Letters Attest Value of Social Justice Study

To the Contest Editor:

The check for $5 sent me as a prize in the **"KNOW SOCIAL JUSTICE" Contest,** has been received. Thanks very much. I am a bit disappointed in myself. I thought I knew my social justice better.

Like thousands of others I was sorry to hear of Father Coughlin's illness, and I hope and pray that he will have a speedy recovery and be able to renew the good fight for social justice.

I hope to find the time and the means in the near future to push the work of organizing Social Justice Councils in this community. Vacation time will soon be over and it should not be hard to again find council leaders.

Thanking you again for the check, I remain

—Maynard Seibert.

Royal Oak, Mich.

Winner Out Of Work Since May

To the Contest Editor:

This is to acknowledge receipt of your check for $10 as my part of the prize money in the **"KNOW SOCIAL JUSTICE" Contest.** The prize could not have come at a better time as we have all been out of work since May 15.

I will soon enter the **"KNOW AMERICA" Contest** with the intention of winning first prize. I wish to thank you for the prize that I just received.

—Mrs. Ida M. Anleitner.

Terre Haute, Ind.

All Eager To Enter New Contest

To the Contest Editor:

Your letter informing me that I had been adjudged one of the $5 Prize-Winners in your **"KNOW SOCIAL JUSTICE" Contest** was a very pleasant surprise. Many thanks to Father Coughlin for the opportunity he has given us to learn so much about social justice.

I hope that your **"KNOW AMERICA" Contest** will be a greater success and that I shall again be able to reach a score high enough for even the smallest prize.

—Mary D. Kelly.

Hartford, Conn.

Prays for Success Of Father Coughlin

To the Contest Editor:

This will acknowledge receipt of the check of $10 representing my share of the distribution of the cash awards in your first contest, for which I thank you. I am very happy to have participated in the winnings, even to this extent, and proud to have my name appear among the list of winners.

I have entered the second contest with the idea in mind of coming out nearer the top; however, should I not be so successful, I will be richer in knowledge and will have had the pleasure of working out the answers. We have just heard over the air-waves that Father Coughlin is not enjoying the best of health at this time, which I trust is but a rumor. If it be true, I am deeply sorry and trust he will take steps to conserve his strength as we need him. If at all possible he should try delegating to others more of the details and hold himself in readiness for the major "battles."

With sincerest wishes for the immediate restoration of his good health and the continued success of your work, I am

—Miss F. Burney.

Bradley Beach, N. J.

Judges Chose Best Answers

To the Contest Editor:

I take this opportunity to thank you and the judges and to tell you how proud and happy I am to be included in the list of winners of the **"KNOW SOCIAL JUSTICE" Contest.** While my prize was among the smallest, still I am very glad to see that the larger prizes were awarded to such worthy and deserving workers for social justice, and I congratulate them. I know how happy they must feel.

My husband and I were also very glad that you published the questions and answers. We checked them over carefully and agree that the judges did select the best and most appropriate answer to each question.

It has been worth the effort to us in the knowledge gained and we are planning on entering the new contest—not only to gain a prize, but to do our bit in helping to educate others in understanding the principles of social justice.

We have always been ardent supporters of Father Coughlin's teachings from the very beginning, never missing a radio address. We look forward each week for Socal Justice magazine, knowing that we get reliable information and better still, inspiration to go forward in this great cause, and faith that we will win.

—Mrs. Mildred Schon.

Shell Lake, Wis.

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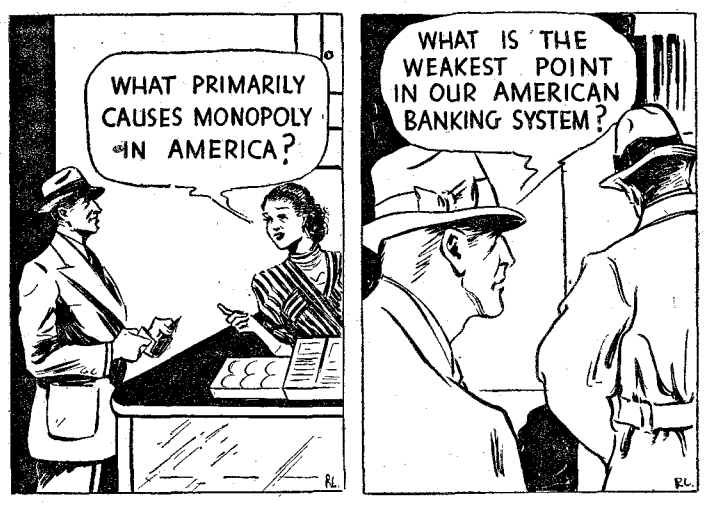
Only Few Weeks Before 335 Readers Will Receive Another Pile of Prizes

QUESTIONS FOR THIS WEEK

Picture No. 25 **Picture No. 26**



Make Your Selection by Number from Following Lists:

1. A collapsible money system aids confiscation of property.
2. Continuous overproduction of goods.
3. Continuous underproduction of goods.
4. Overabundance of natural resources.
5. Government control of all industry.
6. Facility of transportation.

1. Too much government control.
2. Dependence of smaller banks on the Federal Reserve Banks.
3. American bankers are for the most part dishonest.
4. American banks are safe for depositors but unsafe for borrowers.
5. American banks can no longer depend on the gold standard.
6. American banks charge a too low rate of interest.

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN KA
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 25 For Question No. 25 I Select Answer No..... ☐ No. 26 For Question No. 26 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

An Extra Coupon for a Friend or Relation

FILL IN THIS COUPON AND MAIL WITH 10 CENTS IN COIN KA
NOT NECESSARY TO RETURN PICTURE
Make your selection by number from suggestions under each picture.
Write clearly the number in the little square.

No. 25 For Question No. 25 I Select Answer No..... ☐ No. 26 For Question No. 26 I Select Answer No..... ☐

MY NAME IS.....

MY ADDRESS IS.....

TOWN OR CITY.....STATE.....

Rules of Contest

1. Open to all readers of SOCIAL JUSTICE except employes of Reverend Father Coughlin, members of the former National Board of the National Union for Social Justice, or members of their families.
2. Two pictures each week for 25 consecutive weeks, beginning Monday, June 21, 1937. Each picture contains a question dealing with a live economic or social problem affecting the United States during the current year.
3. A Grand Prize of $2,750.00 will be awarded to the reader of SOCIAL JUSTICE returning the best or most appropriate answers to the 50 questions, such answers to be based upon the viewpoint of Father Coughlin as expressed in the columns of SOCIAL JUSTICE or in his public utterances. The reader or readers submitting the next nearest correct answers and otherwise complying with the rules shall be eligible for the additional prizes in the order of their correctness.
4. In order to qualify as a prize-winner, the contestant is required to send in 10 cents in coin (not stamps) with each weekly Coupon; and to obtain at some time during the Contest one NEW yearly subscriber to SOCIAL JUSTICE at $2.00 per year. The remittance of 10 cents in coin and the effort of obtaining the subscription is in payment for a handsomely illustrated 105-page book descriptive of the Shrine of the Little Flower. Purchase of this book, which will be delivered after the close is a condition for entering the contest.
5. We cannot take into account solutions without signed names or addresses. Neither can claims to their ownership be recognized. We cannot be responsible for Coupons arriving unduly late. By entering the Contest the contestant agrees to accept as final the decision of the judges as to procedure and final outcome.
6. In event of ties additional pictures and questions will be submitted. In event of final ties, after two such submissions, duplicate prizes will be awarded.
7. Do NOT decorate Coupons. Neatness will NOT count.
8. Any inquiry the reply to which could not affect outcome of Contest will be acknowledged.
9. A contestant may send in any number of answers, and each set will be judged as a unit, but no individual may win more than one prize. A contestant sending in more than one fully paid set, and one yearly subscription for each set submitted will be entitled to one book for each set.

ADDRESS—

"CONTEST EDITOR"

SOCIAL JUSTICE

ROYAL OAK, MICH.

GRAND PRIZE
$2,750.00

Second Prize
$1,250.00

THIRD PRIZE
$500.00

FOURTH PRIZE
$200.00

FIFTH PRIZE
$75.00

10 Prizes of $50.00 Each.
20 Prizes of $25.00 Each.
100 Prizes of $10.00 Each.
200 Prizes of $ 5.00 Each.

It is your DUTY to KNOW YOUR COUNTRY!

In this age of radical "isms" every citizen should be able to answer intelligently any question concerning our United States—and what is going on here.

Are you able to do this?

Our **"KNOW AMERICA" Contest** is your grandest opportunity to "brush up" on your National knowledge — and at the same time win the neat fortune of $2,750.00 in cash.

And you have only a few short weeks in which to win, both intellectually and materially, in this great competition.

Readers of **SOCIAL JUSTICE** numbering 335 will win! You can be one of them as easily as any other contestant.

Enter right now!

You can do this—get in line for $2,750.00 by using TODAY the "Past Pictures Coupon" on this page.

This could be your "ticket to success." Use of it at once could change the entire course of your life.

It's here before you now.

Make immediate use of it.

How To Proceed As A Contestant

1. Study the questions. Mark your selection of the best or most appropriate answers on the Coupon below the picture and send in EACH WEEK with 10 cents in coin (not stamps).
2. If you wish, you may pay up in full, $2.50 NOW, and then send in your weekly Coupons without further remittance.
3. Each question will pertain to a live AMERICAN ISSUE discussed in the columns of SOCIAL JUSTICE. One of the list of suggested answers underneath each picture will be the best or most appropriate FROM THE VIEWPOINT OF FATHER COUGHLIN AND THIS WEEKLY ON NATIONAL SOCIAL AND ECONOMIC ISSUES. It is your job, as a contestant, to try to select that particular answer.
4. Each contestant who completes a fully qualified set of 50 answers will receive, without further cost, a handsome 105-page souvenir book descriptive of the Shrine of the Little Flower at Royal Oak, with 63 beautiful illustrations.
5. In order to qualify for the prizes, a contestant is required to remit $2.50 for each complete set of solutions submitted, and also to obtain one NEW yearly subscriber to SOCIAL JUSTICE at the annual subscription price of $2.00 per year. This subscription may be sent in at any time during the 25 weeks duration of the Contest.
6. If you run more than one set of answers, be sure to mark your sets "Set 1," "Set 2," "Set 3," etc. Each set stands alone in the judging. Coupons are NOT taken from one set to fill in bad "holes" in another set.

READ RULES CAREFULLY AND ENTER TODAY!

Fill In This Coupon and Mail Today

CONTEST EDITOR, SOCIAL JUSTICE

ROYAL OAK, MICHIGAN.

I wish to enter the **"KNOW AMERICA" Contest** at once and be on an even footing with all other contestants.

Please send me free of charge, all Past Pictures which have appeared up to date.

Name .....

Address .....

City .....**State** .....

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Inside Story of Dawes Bank Loan

Bank Starts By Exchange Of Big Checks

By the Financial Editor of SOCIAL JUSTICE

In the Labor Day edition of SOCIAL JUSTICE, a week ago, the chapter was told of the liquidation of the solvent Central-Republic Bank and Trust Company to make place for the new City National Bank and Trust Company of Chicago, on October 6, 1932. The deal, engineered by Owen D. Young for his "friend" Gen. Charles Gates Dawes, had the approval of the Reconstruction Finance Corporation. Thirteen thousand "small depositors" lost their savings in the transaction, although the bank in which they were depositors was not at any time insolvent, the article disclosed.

The syndicate which subscribed to the stock of the new bank was composed of Col. Frank Knox, publisher of the Chicago Daily News, Raleigh Warner and H. L. Stewart.

During the last of September and the 1st part of October, 1932, attorneys for the R. F. C. and attorneys for the proposed new bank (The City National Bank and Trust Company) prepared and approved the documents necessary to carry out the conditions of the $50-million loan from the R. F. C. to the new bank. Sidney Schiff, of the law firm of Pam and Hurd, satisfied R. F. C. attorneys that everything was legal.

On September 28, 1932, the Central Republic Bank transmitted to the Federal Reserve Bank of Chicago, the fiscal agent of the R. F. C. its note, dated October 3, 1932, in the amount of $50-million. One day later, Central Republic Bank and Trust Company requested a return of the note. **This request was complied with, and the note never became an effective obligation of the maker.**

The agreements were signed calling for the transfer of the deposits from the Central Republic Bank and Trust Co. to the City National Bank and Trust Co. of Chicago, the assignment and bill of sale of approximately $15-milion worth of collateral from the Central Republic Bank and Trust Co. to the R. F. C., the assignment and bill of sale of collateral from the R. F. C. to the City National Bank and Trust Co., and the agreement between the City bank and the Central Republic bank calling for the servicing of the activities of the real estate loan and trust departments of the Central-Republic Bank which had an income of approximately $600,000 a year.

Stockholders Told One Day Before

On October 5, 1932, the Central Republic Bank notified its stockholders that the City National Bank and Trust Co. had been organized and would take over the deposit liabilities of the Central Republic Bank on October 6, 1932. No mention was made in this letter of any loan from the R. F. C.

After October 5, 1932, the Central Republic Bank and Trust Co. did not accept any deposits, did not cash any checks, did not discount any notes, did not make any new loans, did not act as a depositary or correspondent for other banks, closed its account with the Federal Reserve Bank and surrendered its Federal Reserve Bank stock, deposited all funds in the City National Bank and Trust Co. of Chicago, did not engage in commercial banking, did not operate its trust and real estate departments, but received one-half of the profits therefrom under a contract with the City Bank, had no quarters or personnel for conducting a banking business, did not exercise any corporate powers except in liquidation.

A meeting of the interested parties was held at the Federal Reserve Bank of Chicago prior to the opening of business of the Federal Reserve Bank on the morning of October 6, 1932. The Central Republic Bank and Trust Co. had discontinued the banking business on the previous evening. The City National Bank and Trust Co. of Chicago had not yet opened its doors as a bank. By pre-arrangement the parties met to effect an exchange of checks.

Bank Started By Trading Checks

Representatives of the Central Republic Bank, the City National Bank, the Federal Reserve Bank, and others were at the bank between 7 and 8 o'clock.

At this meeting a check for $50-million, dated October 6, 1932, and drawn on the Treasury of the United States, was executed and delivered to the cashier of the Central Republic Bank and Trust Co. The drafts of the four participating banks, the First National Bank of Chicago, the Continental-Illinois Bank and Trust Co., the Northern Trust Co., and the Harris Trust and Savings Bank, which had been delivered previously to the Federal Reserve Bank, were likewise delivered to the cashier of the Central Republic Bank, who immediately endorsed each of the drafts and delivered them to the Federal Reserve Bank.

The cashier of the Central Republic Bank and Trust Co. thereupon signed and delivered to the executive vice president of the City National Bank and Trust Co. of Chicago the check of the Central Republic Bank and Trust Co. drawn on the Federal Reserve Bank of Chicago, dated October 6, 1932, for $62,121,060.14. This check was endorsed to the Federal Reserve Bank by the executive vice president of the City National Bank and Trust Co. of Chicago and was immediately deposited to the credit of the City National Bank at the Federal Reserve Bank of Chicago.

Collateral Bought Out of Proceeds

Simultaneously, the executive vice president of the City National Bank and Trust Co. of Chicago delivered to the R. F. C. the check of the City National Bank for $15,009,804.04, drawn on the Federal Reserve Bank of Chicago, in payment for the assets and securities purchased from the R. F. C. under the contract of October 6, 1932, which had previously been part of the collateral pledged by Central Republic Bank and Trust Co.

The evidence is uncontradicted that the $15,009,804.04, paid to the R. F. C. by the City National Bank on the morning of October 6, for the purchase of securities formerly pledged by Central Republic Bank and Trust Co., was a part of the proceeds of the $62,121,060.14 check previously delivered to the City National Bank by Central Republic Bank on the morning of October 6.

At the close of business of October 5, 1932, Central Republic Bank had a credit balance of $9,343,282.36 with the Federal Reserve Bank of Chicago. On the morning of October 6, 1932, Central Republic received the additional sum of $52,777,777,78 from the R. F. C. and the four participating banks. The check for $62,121,060.14 payable to the order of the City National Bank was paid by these two sums. Without the proceeds of the $62,121,060.14 check, there was not sufficient cash to the credit of the City National Bank on the morning of October 6, 1932, to pay the $15,009,804.04 check to the R. F. C.

Figures Don't Lie, But Liars Figure

The only actual cash which the City National Bank had on the morning of October 6, 1932, which could be applied toward the payment of the check for $15,009,804.04 was on deposit with the Federal Reserve Bank of Chicago. This deposit represented the $5-million capital and surplus of the bank, less the $150,000 paid for the Federal Reserve Bank stock owned by the City National Bank and Trust Co. of Chicago.

The balance of $4,850,000 was wholly insufficient to pay the check for $15,009,804.04. When the check was paid by City National Bank and Trust Co. of Chicago, it was paid wholly out of the proceeds of the check for $62,121,060.14, which had just been delivered to the City National Bank and Trust Co. (which consisted of the balance of the cash of Central Republic Bank in the amount of $9,343,282.36 then on deposit, plus the proceeds of the check for $50-million from the R. F. C. and the check for $2,777,777,78 from the four participating banks) or else the proceeds from which the check for $15,009,804.04 was paid included a part of the capital and surplus of the City National Bank and Trust Co. of Chicago.

All of the above transactions are reflected on the books and records of the Federal Reserve Bank of Chicago on October 6, 1932.

Notwithstanding this undeniable evidence, the R. F. C. in a statement said that "None of the funds disbursed by it or the four participating banks to the Cetral Republic Bank and Trust Co. and transferred by the foregoing bank to the City National Bank and Trust Co. of Chicago were used to furnish the capital or surplus of the City National Bank."

Same Building But New Bank

The City National Bank and Trust Co. of Chicago for the first time opened for business at 9 a. m. on October 6, 1932, in the same quarters which had been occupied by the Central Republic Bank and Trust Co. until the close of business on October 5, 1932.

The salaries of the employes and officers assisting in the liquidation after October 6 of the Central Republic Bank and Trust Co. were paid by this bank out of an "operating fund," a part of which was furnished to them by the R. F. C.

Prior to October 6, 1932, the number of employes of the Central Republic Bank and Trust Co. had varied from 1,200 to 1,600. At the end of October, 1932, within the month, the bank had only 104 employes, including officers. By the end of October, 1934, the number of employes had decreased to 64.

This is the untold sordid story of the $90-million loan by the R. F. C. to the so-called Dawes bank.

We have not gone into the double liability on the case, whereby the stockholders were liable for assessment on their stock in accordance with the decision of United States District Judge Wilkerson in Chicago, in November, 1936. We will only comment on the fact that the bankers were caught short in the bank debacle of 1933, from this standpoint. But not for long.

The Banking Act of 1935, provided that, after July 1, 1937, there would **be no double liability on the stockholders of national banks.**

If the people ever learn of some of the shocking manipulations engaged in by unscrupulous bankers, they would rise up in revolution. The bankers will continue to flimflam the American people as **long as the creation of money is in the hands of private individuals for their own selfish profit.**

Let us hope the American people will become educated to the facts and demand that the constitutional mandate that Congress "coin money and regulate the value thereof," be put into full effect, instead of venting their protest in the blind force of destruction as they have done in other lands.

War Crisis in Far East Is Commercial

(Continued from Page 1)

genthau and a few eastern bankers. Today, you will find more importations in America from China than Japan.

Only recently, the writer was in New York and he **could not procure linens and textiles made in America.** All were made in China! The Chinese product gets to the New York market because the banker approves the loan through the financial backing of the Export-Import Bank and the big Acceptance Houses. In the meantime, look at the tragedy of Amoskeag, New Hampshire, where 75,000 textile workers were thrown out of work because the bankers foreclosed on the several mills there just to stop production so imports could be had from China.

The same is true in oil. It is Standard Oil and the Rockefeller interests against the Anglo-Shell-Dutch combine headed by Sir Henri Deterding. The same is true in mining and manufacturing. One group of international bankers aligned against an opposing group both grasping, fighting for more and more while innocent women and children are bombed and thousands of soldiers are slaughtered under a guise of frenzied patriotism.

American Loan Spent in Vienna

After Dr. Kung left America with emphatic press releases protesting that his loan "was not for war purposes," we find that in Vienna he placed an order for 350,000 gasmasks valued at $2-million and 500,000 light machine guns from the Speyr Armament Works at a cost of $4-million! And who owns the Speyr Devisers of Death? The bankers own it, lock, stock and barrel!

Just how much one group of German bankers have broken British prestige in the Far East was demonstrated recently by a press release that stated England should have a National Humiliation Day with its foreign office warnings being flaunted by ambassadors being shot and vessels being bombed. The News Chronicle of London was the only paper to editorialize frankly. It said:

"The alarming thing is not so much that robber nations openly flout international law and decency, but that nobody minds very much when they do. . . . If the bandits occupied London and neither the police nor the citizens lifted a finger, ought we to be thankful that there was no fighting?"

Meantime, as a final "commercial" tie-up, the international war makers have evolved a new non-aggression pact between China and Russia. Its chief benefit to the Soviet Union is that it prohibits China from accepting any peace terms with Japan that might throw China into the fight against Communism under Japanese commanders on China's soil.

More significant than the international "scandal" of Japanese "aggression"—of which the public press makes much—is the deeper significance that **Soviet Russia fully intends to supply China with armaments exactly as was done in Spain.** Both American experts in the Orient, privately, and Japanese diplomats, openly, charge this.

Living Costs Determine Real Value of Pay Check

(Continued from Page 7)

uable than 55 cents an hour for today. Rent and clothng and food will cost so much more that labor will find itself no better off at the expiration of that period than it was before the strike was called.

"Higher wages will not settle the cause of depressions, will not bring about an equitable distribution of dividends because **the motor car manufacturers will raise the cost of their products in proportion to the cost of the bread and butter, food and shelter, which must be raised to meet the invisible taxes demanded by the international bankers from our government. . . .**

"An 80 cent per hour victory today means nothing tomorrow when the private regulators of the value of money will raise prices. The new price level is on its way as you know from your present experience with the grocer, the butcher and the baker. Thus 80 cents tomorrow will buy no more than does 55 cents today."

In September, SOCIAL JUSTICE repeats these remarks, but we change the tense.

Living Cost Must Balance Dollar

The cost of living **has increased.** Rent and clothing and food prices **have advanced** at a breakneck speed. Motor manufacturers **have announced a raise in the price of cars,** while **80 cents buys little more than 55 cents did in December and January.**

SOCIAL JUSTICE again repeats that the worker, whose average weekly salary is listed in another column, will not benefit by a dozen wage increases if those increases are accompanied by as many boosts in the cost of living.

The only kind of a dollar that will profit the average man is a stable dollar — one valued at 100 cents in purchasing power, which dollar will only be obtained when **somebody regulates the value of the dollar.** The bankers and the Federal Reserve System have proven their intention of preventing this.

Since it is the constitutional right and duty of Congress, there remains only Congress to blame for the irregular and unstable dollar which results in depression and international dishonesty.

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No Recovery Without Financial Reform

SOCIAL JUSTICE

Father Coughlin's Weekly Review

5c Per Copy

Volume IV. No. 4. Royal Oak, Michigan September 13, 1937

How England Created Money Debt-Free to Balance Budget

Parliament Makes Use Of Its Power

Empire Funds Debt for $50-Million; Like Transaction in U. S. Would Take $300-Million

Re-armament as a major governmental and financial problem has faced England for the past six years. This frightful burden of armament has upset all budget plans. Under such circumstances, Americans might well watch the English operate under an unbalanced budget.

From the Midland Bank of London comes an explanation of governmental financing on the part of the British Empire that deserves to be read by every elected Senator and Representative—and twice by the President of the United States.

In the United States we have adopted the solution of issuing tax exempt bonds which are sold largely to the bankers who pay for them in the kind of money which Father Coughlin has so often described as "counterfeit money" or "fountain pen money."

Uses Money Power To Balance Budget

England, on the other hand, maintains not only the "bond" system but, to her credit, another system of Treasury bill issuance on a scale and in a refinement never witnessed in America.

The so-called "floating debt" of England is the amount of her Treasury bills outstanding.

England divides these bills into two classes, namely, the "Tenders" and the "Tap bills."

The tenders are Treasury bills issued for a period of three months on which approximately ½ of one per cent interest is paid.

The "Tap bills" at negligible interest rates are issued to the departments of government to cover deficits authorized by acts of Parliament.

The principle is the same in either case. **England uses her money power to balance a budget.**

Issue of Money Tides Depressions

We in America know the limited use of the Treasury bill. We do not know its use as perfected in England in the so-called process of "unfunding."

When England's bonds mature there is not the slightest hesitation in shifting over the "funded" debt represented by those bonds. In such a case England "unfunds" that debt by meeting the maturities through the issuance of Treasury bills. Thus she "unfunds" that debt and increases the floating debt as she diminshes the funded debt.

The obvious question is: How does England dispose of her "floating debt?" The answer is simple. She retires her Treasury notes when and as a surplus of revenues occurs. In other words, **she tides over depressions by the issue of money at nominal rates and she retires those issues when tax surpluses are available.**

The following table shows how England has used her money power in the depression.

Here is to be found the expanded and contracted issues of Treasury notes and Tap issues from 1931 through 1937 as of June 30 in all years:

June 30	Treasury notes and Tap Issue (approximate dollar equivalent)
1931	$3,085-million
1932	3,595-million
1933	4,850-million
1934	4,240-million
1935	4,385-million
1936	3,825-million
1937	3,190-million

England increased her floating debt approximately $1,800,000,000 in the two years from June, 1931, to June, 1933.

English Pay $50 To Our $300!

What would that financing have cost the United States? At 3 per cent it would have cost $108,000,000 in interest for a two year period. But we do not borrow money for two year periods. We borrow for 30 year periods. Interest alone at 3 per cent would cost the American taxpayer $1,620,000,000!

England "borrows" the same $1,800,000,000 for not more than $9,000,000 a year and according to the table she retired $610,000,000 of these notes in 1934. She retired an additional $400,000,000 by 1936 and in 1937 she retired an additional $635,000,000.

In five short years England retired a total of $1,645,000,000 of her floating debt.

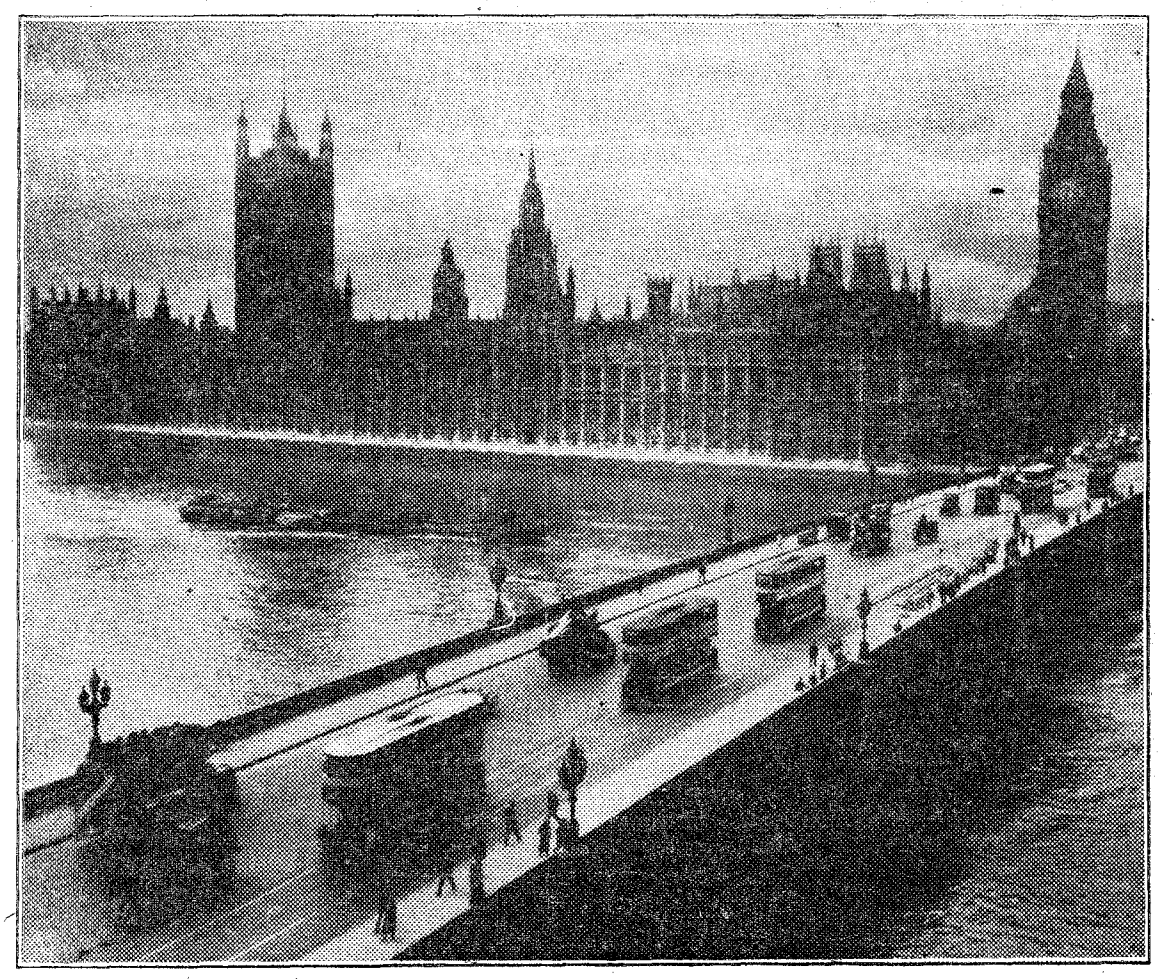
She used the sovereign power to issue money to pay extraordinary expenses of government. She used this power to retire part of her bonds. At the cost of less than $50-million, England did the same financial work that our treasury did through the bankers' bond method and we take at least $300-million from our taxpayers for doing such work.

Against the 36 million of people in England proper are 129 million in the United States.

Against the billion, eight hundred million of treasury bills and tap bills some seven billion of United States Treasury notes, full legal tender could be issued.

Such an issue would save our taxpayers billions in interest during this generation alone.

Parliament Uses Money Power



Despite the watchfulness of the private money profiteers who operate the Bank of England, the British parliament, by using its power to issue money to tide over depressions, is able to finance the empire's burdensome debts for $50-million. The same obligation under the American system of operation would cost the taxpayers $300-millions! Picture of parliament buildings, London, from Ewing Galloway.

Communists See C. I. O. Great Help

Reds, Lewis Union and American Labor Party All Shade Into Popular Front

The growth of the C. I. O. has been largely responsible for increased interest in the Communist party, says Israel Amter, Communist organizer in New York state.

Amter

Communists in the C. I. O., Amter added, have become "extremely influential," and although they are "not in the top leadership" of the C. I. O., they are **"able to exert considerable pressure within the organization because of their local influence and activities within the rank and file."**

Earl Browder, general secretary of the Communist party in this country, said: "Our influence is exerted toward thoroughly organizing all workers of the country and **letting nothing stand in the way."**

Whether Browder is more accurate when he says that Communists are organizing the workers, or Amter, who says that Communists are not **the top-notchers but exert considerable pressure** on the membership, the fact remains that the C. I. O., the Communist party and the C. I. O.'s new American Labor party, are so much of the same color that it is practically impossible to distinguish the shadings.

Reports to **SOCIAL JUSTICE** persist that this American "popular front" is continually advised by Kraganovitch and Trotsky.

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